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REPORT

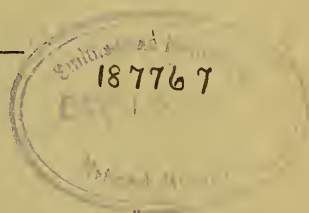
OF THE

GOVERNOR OF THE TERRITORY OF HAWAII

TO THE

SECRETARY OF THE INTERIOR

1903



WASHINGTON
GOVERNMENT PRINTING OFFICE
1903

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LETTER OF TRANSMITTAL.

EXECUTIVE CHAMBER, TERRITORY OF HAWAII,
Honolulu, September 28, 1903.

SIR: In response to your letter of June 27, requesting me to forward to your Department a report of the affairs, progress, and development of Hawaii during the fiscal year ending June 30, 1903, I have the honor to transmit the following statement.

Very respectfully,

SANFORD B. DOLE,
Governor of the Territory of Hawaii.

The SECRETARY OF THE INTERIOR,
Washington, D. C.

REPORT

OF THE

GOVERNOR OF THE TERRITORY OF HAWAII.

SOCIAL CONDITIONS.

The statistics of our schools and courts show that the population of the Territory is made up of the following races: Hawaiian, Portuguese, Japanese, Chinese, Scandinavian, Spanish, and Teuton, which includes British, German, and American.

The school children of the Hawaiian, Portuguese, Japanese, and Chinese races number 16,229, being an increase of 945 over the previous year. Almost all of the boys will be voting citizens when they reach voting age.

The school children of European descent other than Portuguese, and of American descent other than Porto Rican, number 1,505, an increase of 18 over the previous year.

At this rate, unless there should be a larger immigration of American settlers than now seems probable, the present numerical inferiority of those which may be classed as belonging to the Teutonic race as compared with the Hawaiians, will, in a few years, become a still greater inferiority as compared with the then American citizens of the Hawaiian, Portuguese, Japanese, and Chinese races.

This prospect emphasizes the importance of giving to all children who are American citizens a good common school education. The association of pupils of the different races with each other in school work and the recreations of the playground go far toward breaking down race prejudices and tends to prepare them for intelligent political action in the future.

There are many marriages between Hawaiian women and white men and a few between Hawaiian women and Chinamen. The offspring of both classes of marriages are an improvement, as a rule, on the pure Hawaiian, in thrift and business enterprise.

The Portuguese generally intermarry among themselves. The same is true with the Japanese.

Part Hawaiians as a class are increasing, and the rate of decrease of the pure Hawaiian appears to be a diminishing one.

Out of 9,967 arrests made during the past year 7,480 were from among Japanese, Chinese, and Hawaiians. The following table gives the population of these three classes in 1900, not including the few Chinese and Japanese American citizens, the whole number of arrests in each class and the number of arrests in each class for gambling, illicit sale of liquors, and drunkenness, respectively, with the respective percentages.

Nationality.	Census of 1900.	Arrests.	Per cent.	Arrests for gambling.	Per cent.	Arrests for illicit liquor selling.	Per cent.	Arrests for drunkenness.	Per cent.
Japanese	56,234	2,945	0.052	1,138	0.020	66	0.001	157	0.002
Hawaiian	29,799	2,235	.075	227	.007	16	.0005	650	.021
Chinese	27,741	2,300	.080	1,618	.058	70	.0025	3	.0001

The following additional table is given in regard to other nationalities, their respective numbers as parts of the population in 1900 being unavailable, owing to the system of classification of the census report:

Nationality.	Arrests.	Arrests for gambling.	Arrests for illicit selling of liquor.	Arrests for drunkenness.
American	684	29	9	343
Porto Rican	666	77	6	40
Portuguese	600	35	20	96
German	184			
British	81			
Spanish	24			
French	11			
South Sea Islanders	4			
Others	233	14	6	293

FINANCES.

Appropriations.

	Balance from appropriations on hand July 1, 1902.	Drawn during period from July 1, 1902, to June 30, 1903.	Unexpended balance on hand July 1, 1903.
Permanent settlements	\$8,500.00	\$8,500.00	
Office of the secretary of the Territory	25,579.58	20,110.15	\$5,469.43
Judiciary department	74,093.68	67,802.95	6,290.73
Department of the attorney-general	311,060.58	302,526.17	8,534.41
Department of the treasury	287,586.02	151,945.59	135,640.43
Department of public works	1,859,026.23	818,750.44	1,040,275.79
Department of public instruction	478,252.91	390,441.77	87,811.14
Commission of public lands	22,759.30	14,681.01	8,078.29
Commission of agriculture and forestry	20,399.00	13,967.64	6,431.36
Survey department	39,849.56	39,748.23	101.33
Board of health	358,314.98	302,529.40	55,785.58
Band	26,012.53	21,319.28	4,693.25
Military	10,875.34	10,068.51	806.83
Auditor	17,548.87	15,512.12	2,036.75
Fire claims commission	1,502,427.38	1,473,196.03	29,231.35
Legislature	24,223.28	24,213.17	10.11
Total	5,066,509.24	3,675,312.46	1,391,196.78

	Appropriations made by the legislature of 1903 and available before July 1, 1903.	Drawn before July 1, 1903.	Unexpended balance July 1, 1903.
Office of the secretary of the Territory	\$30,126.50	\$12,857.34	\$17,269.16
Judiciary department	48,310.80	27,119.08	21,191.72
Department of the attorney-general	4,128.20	3,557.16	571.04
Department of the treasury	20,897.09	15,420.88	5,476.21
Department of public works	391,658.91	130,658.76	261,000.15
Department of public instruction	15,289.03	13,460.40	1,828.63
Commission of public lands	3,800.00	1,519.53	2,280.47
Commission of agriculture and forestry	10.49	10.49	
Board of health	30,502.08	20,616.01	9,886.07
Auditor	12,500.00		12,500.00
Legislature	91,500.00	79,776.58	11,723.42
Chinese fund	155,546.70	89,986.30	65,560.40
Total	804,242.80	394,982.53	409,260.27

Cash statement July 1, 1902, to June 30, 1903, current account.

RECEIPTS.

Cash on hand July 1, 1902		\$287, 131. 30
Tax bureau:		
Oahu collections	\$908, 964. 26	
Maui collections	189, 040. 90	
Hawaii collections	373, 864. 79	
Kauai collections	179, 153. 17	
	<hr/>	\$1, 651, 023. 12
Treasury collections:		
Licenses	142, 736. 25	
Realizations	26, 024. 99	
Revenue stamps	61, 095. 00	
Accrued interest bonds	776. 64	
	<hr/>	195, 260. 39
Public instruction:		
Book sales	5, 891. 10	
Rents	980. 50	
	<hr/>	6, 872. 10
Harbor master, Honolulu:		
Wharfage	40, 053. 38	
Towage	10. 00	
Pilotage	30, 242. 14	
	<hr/>	70, 305. 52
Public works office:		
Rents	49, 980. 37	
Realizations	12, 415. 53	
Land sales	6, 270. 56	
Sewerage	12, 643. 98	
Excavator	5, 752. 75	
Weights and measures	176. 75	
Honolulu market	14, 054. 95	
Garbage	6, 460. 65	
Land sales, interest	231. 39	
	<hr/>	107, 986. 93
Less "not accounted for"	4, 982. 10	
	<hr/>	103, 004. 83
Fines and costs		68, 993. 75
Kerosene warehouse, Honolulu		5, 851. 45
Kerosene warehouse, Hilo		422. 86
Wharfage, Hilo		2, 438. 46
Honolulu waterworks		102, 841. 85
Hilo waterworks		6, 610. 25
Koloa waterworks		195. 00
Laupahoehoe waterworks		137. 15
Wailuku and Kahalui waterworks		4, 413. 80
Conveyance bureau		15, 347. 00
Land revenue		105, 078. 15
Land sales		17, 991. 23
Prison receipts		408. 60
Registry of brands		56. 00
Government realizations		21, 451. 44
Powder storage, Honolulu		1, 573. 77
Powder storage, Hilo		535. 35
Lahaina waterworks		1, 328. 95
Lahaina market		86. 40
	<hr/>	
Total receipts July 1, 1902, to June 30, 1903		2, 935, 393. 88

EXPENDITURES.

Permanent settlements	\$8, 500. 00
Secretary of the Territory	32, 967. 49
Judiciary department	80, 171. 10
Treasury department	24, 320. 76
Conveyance bureau	11, 176. 94
Tax bureau	70, 194. 46
Public works department	750, 327. 07
Public grounds	8, 376. 00
Fire department	59, 271. 23

Cash statement July 1, 1902, to June 30, 1903, current account—Continued.

EXPENDITURES—continued.

Waterworks bureau	\$107,551.69
Public lands commission	16,200.54
Public instruction	403,913.66
Attorney-general's department	305,630.13
Agriculture and forestry	13,978.13
Survey department	39,748.23
Board of health	323,145.41
Governor	31,387.79
Auditing department	15,512.12
Legislature (printing journal of house) ..	603.50
Payment of Chinese fund	89,986.30
Expenses fire claims commission	12,346.58

Total, being warrants issued by auditing department	\$2,405,309.62
Warrants outstanding July 1, 1902	297,427.87

Total	2,702,737.49
Less warrants outstanding June 30, 1903:	
Of last period	\$692.28
Of this period	240,021.14
	<u>240,713.42</u>

Total warrants paid by treasury department	2,462,024.07
Hawaiian treasury notes taken up	\$105,000.00
Interest on bonded debt, commission, etc.	51,556.57
Expenses legislature 1903	79,173.06
Land sales (special deposit)	17,991.23
Road tax (special deposit)	139,150.00
Transferred to fire claims cash	7,317.30

Total, being amount of cash disbursements by treasury department other than by warrants..	<u>400,188.18</u>
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Total disbursements by treasury department	2,862,212.25
Current cash balance June 30, 1903	73,181.63

\$2,935,393.88

Statement "Fire claims commission awards."

Amount of appropriation	\$1,500,000.00
First payment, being 10 per cent of awards	\$147,317.30
Amount assumed by the United States Government ..	1,000,000.00
Final payment, being balance due	<u>325,855.70</u>

Total payments, being amount of awards made by fire claims commission	<u>1,473,173.00</u>
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Unexpended balance	26,827.00
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Statement of fire claims cash.

Received from United States Government (refund of interest)	\$140,000.00
Transfer from current cash	7,317.30
Received from sales of bonds	<u>162,000.00</u>
	\$309,317.30
Warrants A issued	147,317.30
Warrants B issued	<u>325,855.70</u>
Warrants outstanding June 30, 1903:	473,173.00
Warrants A	\$4,577.24
Warrants B	<u>164,011.19</u>
	168,588.43
	<u>304,584.57</u>
Cash on hand June 30, 1903	<u>4,732.73</u>
	309,317.30

Subdivision of tax receipts—Comparative statement for the years ending June 30, 1902, and June 30, 1903.

	Year ending June 30, 1902.	Year ending June 30, 1903.
Real estate.....	\$532,637.09	\$560,456.31
Personal property.....	571,248.69	592,325.37
Insurance.....	3,846.00	4,655.11
Carriages.....	8,540.00	9,522.00
Carts and drays.....	7,547.00	8,282.00
Road tax.....	92,594.00	102,018.00
School tax.....	92,592.00	102,016.00
Poll tax.....	46,299.00	51,609.00
Dogs and dog tags.....	4,325.19	4,787.60
Ten per cent penalties.....	9,586.27	9,359.31
Advertising costs.....	587.15	738.50
Court costs.....	937.90	727.15
Income tax.....	287,366.80	205,096.77
Total.....	1,658,107.09	1,651,023.12

Property subject to ad valorem taxes according to assessments for 1902.

Real estate.....	\$60,591,587.00
Personal property.....	62,319,216.00
Total.....	122,910,803.00

Detail statement of bonded debt June 30, 1903.

Act of October 15, 1886:	
Loan in London.....	\$980,000.00
Stock E 6 per cent bonds.....	1,000.00
	<u>\$981,000.00</u>
Act of September 7, 1892:	
Stock O 6 per cent bonds.....	100.00
Act of June 13, 1896:	
Stock A 5 per cent bonds.....	876,000.00
Stock E 5 per cent bonds.....	9,000.00
Stock O 5 per cent bonds.....	1,000.00
Stock U 5 per cent bonds.....	50,000.00
	<u>936,000.00</u>
Total bonds outstanding.....	\$1,917,100.00
Hawaiian bonded debt assumed by the United States Government.....	4,000,000.00
Amount of public debt paid by the United States Government to June 30, 1903.....	2,250,300.00
Amount of postal savings bank indebtedness paid by the United States Government to June 30, 1903.....	764,570.31
Total Hawaiian bonded debt paid by the United States Government to June 30, 1903.....	<u>3,014,870.31</u>
Balance of Hawaiian bonded debt to be paid by the United States Government.....	985,129.69
Total Hawaiian bonded debt which the Territory of Hawaii assumes..	931,970.31
Fire claims 4 per cent bonds; act of Congress United States, January 26, 1903.....	162,000.00
Net indebtedness June 30, 1903.....	1,093,970.31

Statement of appropriations made by the legislature of 1903.

REGULAR SESSION.		EXTRA SESSION—continued.	
Act 1.....	\$25,000.00	Act 3.....	\$13,000.00
Act 2.....	40,000.00	Act 4.....	7,000.00
Act 3.....	30,000.00	Act 5.....	4,000.00
Act 34.....	5,000.00	Act 6.....	203,720.56
Act 45.....	11,500.00	Act 7.....	12,500.00
Act 47.....	1,700.00	Act 9.....	1,500.00
Act 64.....	4,000.00	Act 10.....	1,202,891.87
Act 71.....	155,546.70	Act 11.....	1,521.25
Act 73.....	3,000.00	Act 12.....	1,000.00
Act 75.....	24,000.00	Act 13.....	1,478,335.00
Act 81.....	2,337.85	Act 14.....	5,029.28
EXTRA SESSION.		Act 15.....	2,000.00
Act 1.....	244,893.73	Act 16.....	709,585.50
Act 2.....	5,000.00	Act 17.....	1,105,607.00
		Act 18 (loan).....	2,397,270.75

Statement of loan appropriations made by the legislature of 1903.

Wharves, schoolhouses, etc., general	\$997,600.00
County of East Hawaii, or districts of Hamakua, North Hilo, South Hilo, and Puna.....	222,000.00
County of West Hawaii, or districts of North Kohala, South Kohala, North Kona, South Kona, East Kau, and West Kau.....	85,294.88
County of Maui, or islands of Maui, Molokai, Lanai, and Kahoolawe..	178,600.00
Oahu County, or island of Oahu.....	804,075.87
County of Kauai, or islands of Kauai and Niihau.....	109,700.00
	<hr/>
	2,397,270.75

Subsidies.

	Per annum.
Oahu Railroad and Land Company.....	\$18,550.00
Queen's Hospital.....	20,000.00
Wilder & Co., steamer between Honolulu and ports on Maui, Molokai, and Lanai.....	2,600.00
Inter Island Telegraph Company, Limited, wireless telegraph between Hawaiian Islands	12,000.00
Farmers' Institute.....	150.00
Federal experiment station at Honolulu	5,000.00
Eleele Hospital, Kauai	900.00
Waimea Hospital, Kauai.....	1,750.00
Lihue Hospital, Kauai.....	1,800.00
Leahi Home, Hospital for Incurables, Honolulu, Oahu.....	7,125.00
Kapiolani Maternity Home	5,100.00
Associated charities	2,185.00
Home for Normal School Pupils.....	3,333.33
	<hr/>
Total.....	80,493.33

Pensions.

	Per annum.
Queen Liliuokalani.....	\$7,500.00
Mrs. Emma Barnard.....	200.00
Mrs. Kamakani Simeona.....	200.00
Mrs. Mary L. Stolz.....	200.00
Mrs. Paahao.....	200.00
	<hr/>
	8,300.00

FIRE-CLAIMS COMMISSION.

The following is the report of Mr. F. W. Macfarlane, chairman of the fire-claims commission:

My former report, submitted to you under date of July 29, 1902, comprehended the bulk of the work of the commission. In concluding said report I explained that

owing to certain action having been taken in the courts by attorneys for certain claimants to test the legality of charges made by the commission for the issuing of certificates of award the financial portion of the report could not be completed. The decision of the circuit court was adverse to the commission, and the matter was put into the hands of the attorney-general to take an appeal to the supreme court.

The Territorial legislature of 1903 provided an appropriation to defray the expenses of disbursing the money appropriated by the United States Congress for the payment of fire claims and for the expenses of the fire-claims commission. The commission, upon the receipt of a communication from the Territorial auditor, Mr. J. H. Fisher, under date of June 25, 1903, demanding the payment into the Territorial treasury as a government realization all fees collected by the commission for certificates of award, amounting to the sum of \$5,077.25, decided to comply with his demand, and payment of the above amount was made to the treasurer of the Territory. In lieu of the funds thus surrendered the commission received from the government appropriation the sum of \$6,108.48 to defray remaining indebtedness of the commission, which included the item of the loan of \$4,000 received from the merchants of Honolulu, with interest upon same at 6 per cent per annum. Accompanying this report is a detailed statement covering the expenses above mentioned.

The commissioners, having completed their duties, adjourned sine die on July 25, 1903, after having adopted the following resolution:

Whereas, the commissioners having completed their duties and being about to finally adjourn the commission, the clerk of the commission is requested to reply in writing to all persons now having communications on file with the commission, filed since the adjournment of the commission taken after the signing of awards, notifying them that no further business would be passed upon by the commission, and referring them to the government for consideration of the questions referred to in their communications.

The clerk is further requested to deposit forthwith with the secretary of the Territory all records of the commission, consisting of all copies of claims filed, exhibits filed in evidence in the hearing of said claims, records of judgments of awards, minutes of the proceedings of the sessions of the commission, letters and correspondence, accounts, and all other records and property, of whatsoever nature, belonging to the commission. A full and sufficient receipt shall be taken by the clerk from the secretary of the Territory for the records and property deposited and turned over to him, which receipts shall be deposited with the chairman of the commission upon the completion of the transfer.

And be it further resolved, That this commission do now adjourn sine die.

Notes given and paid by fire claims commission, the proceeds of which were used for carrying on the work of the commission.

Paid Bishop & Co., note dated November 18, 1901, at one year.....	\$1,000.00	
Interest on same for 1 year 7 months 25 days, at 6 per cent	99.17	\$1,099.17
Paid Bank of Hawaii, note dated November 16, 1901, at one year.....	1,000.00	
Interest on same for 1 year 7 months 27 days, at 6 per cent	99.50	1,099.50
Paid Claus Spreckels & Co., note dated November 20, 1901, at one year.....	1,000.00	
Interest on same for 1 year 7 months 23 days, at 6 per cent	98.83	1,098.83
Paid First National Bank, note dated November 20, 1901, at one year	1,000.00	
Interest on same for 1 year 7 months 23 days, at 6 per cent	98.83	1,098.83
		4,396.33
Paid other indebtedness incurred.....		1,712.15
Total		6,108.48

Statement of fire claims commission awards.

Total awards of fire claims commission.....	\$1, 473, 173. 00
Amount assumed by the United States Government	1, 000, 000. 00
Balance to be paid by Territory	473, 173. 00
Ten per cent of awards paid by the Territory.....	\$147, 317. 30
Balance to be paid from funds realized from the sale of fire claims bonds.....	325, 855. 70
	473, 173. 00

Statement of fire claims cash.

Cash received from United States Government (refund interest on bonds)	\$140, 000. 00
Transfer from current cash of Territory.....	7, 317. 30
Total cash paid from Territorial treasury.....	147, 317. 30
Cash received from sale of fire claims bonds and paid out	162, 000. 00
Total payments by Territory to June 30, 1903	309, 317. 30
Warrants issued by auditor June 30, 1903	473, 173. 00
Less warrants outstanding June 30, 1903	168, 588. 43
Warrants paid by treasury	304, 584. 57
Cash on hand.....	4, 732. 73
Total	309, 317. 30

Statement of appropriation for the payment of fire claims awards.

Appropriation passed by the legislature of 1901.....	\$1, 500, 000. 00
Less amount assumed by the United States Government	1, 000, 000. 00
	500, 000. 00
Total awards to be paid by the Territory.....	473, 173. 00
Unexpended balance	26, 827. 00

Statement of appropriations for expenses connected with fire claims commission and the payment of claims.

	Appropriation.	Expended June 30, 1903.	Unexpended balance.
Legislature of 1901	\$17, 400. 00	\$14, 995. 65	\$2, 404. 35
Legislature of 1903	30, 000. 00	12, 731. 09	17, 268. 91
Total.....	47, 400. 00	27, 726. 74	19, 673. 26

CHINESE FUND.

A number of Chinese laborers were in the Hawaiian Islands at the time of the creation of the Territory of Hawaii, who had been admitted under the provisions of previously existing laws, by which they were required to work as agricultural laborers or as mill hands or as domestic servants, and to pay a part of their wages to the government toward a fund to be used for sending them out of the country whenever they should cease so to work. The fund so accumulated was known as the Chinese fund.

The action of Congress in repealing the laws relating to Chinese immigration left the matter of the disposition of this fund unprovided for and necessitated local legislation on this subject.

In view of these circumstances, I sent a message to the legislature at its regular session of 1903, of which the following is a copy:

The act of Congress providing a government for the Territory of Hawaii repealed part 6 of chapter 93 of the Penal Laws and act 68 of the Session Laws of 1898, relating to the restriction of Chinese immigration.

The repealed laws made provision, among other things, for the payment of certain amounts to the board of immigration out of the wages of each Chinese laborer admitted under the authority of such laws, such moneys to be deposited by the board of immigration in the postal savings bank and to be used in paying the passage of such laborer out of the country upon his ceasing to work as an agricultural laborer or as a laborer in the sugar or rice mills.

Under the provisions of the organic act the postal savings bank has been closed out and the said fund paid to the government, which has since that time administered such fund separately from the finances of the government and has from time to time purchased tickets for the passage from the country of the persons entitled to such moneys out of the amounts due them, respectively, and paid them the balance.

There is not now, nor has there been since the organic act went into effect, any law for the custody and disposition of such funds, which at the present time amount to \$155,546.70.

I recommend appropriate legislation for the custody and disposition of this fund

EXECUTIVE CHAMBER, *March 19, 1903.*

The legislature thereupon passed an act, which was approved April 28, 1903, entitled "An act to provide for the care, custody, control, and payment of \$155,546.70, being the money now in the possession of the treasurer of the Territory and designated or known as the Chinese fund."

By this act the said fund was declared a government realization, and a like amount appropriated for the payment of the claims of those interested in the said Chinese fund; the governor and the secretary of the Territory were created a board of examiners to investigate such claims and to certify to the auditor such as should be satisfactorily proved, and the auditor was authorized to draw warrants on the treasurer for the payment of such claims so certified.

The following report by Mr. George R. Carter, secretary of the Territory, gives a statement of the proceedings of the board of examiners under the provisions of the statute mentioned.

Mr. Carter, at my request, has assumed the conduct of these proceedings. The work has been difficult and perplexing, requiring great patience, tact, and a judicial attitude of mind. His report of progress is entirely satisfactory.

The question of authority of the Chinese consul in Honolulu to receive the funds of those claimants who have died, for the benefit of their legal representatives, is an important one. I find no provision in the American-Chinese treaties covering this ground. It would be a matter of great convenience if such an authority could be recognized, and it would specially promote the final disposition of the matter of the Chinese fund.

REPORT OF THE SECRETARY OF THE TERRITORY.

It may be of interest to you to have a few facts and figures relating to the Chinese fund up to and including July 22, 1903, when it became necessary to suspend the payment temporarily in order to allow the undivided attention of the auditor's force to be devoted to closing the books for the fiscal period ending July 1.

You are familiar with the condition of the fund up to the passage by the late legislature of act No. 71, approved by you on April 28, and published for the first time on May 6, 1903.

The first claims were received on May 6, and at the end of the seventy-six days, to July 22, 2,300 claims had been settled by the payment of \$89,986.30.

Every one of the claimants had either appeared in person before the writer, who identified him, or had assigned his claim before a notary public, which was presented and examined.

A considerable number of claims have been rejected and returned, owing to faulty acknowledgments by the notaries, or because of the claimants' failure to properly identify themselves.

A number of Chinese have set up claims, but were without their identification books furnished by the bureau of immigration. Some of them stated that the books had been burned in the fire, and others that their books had been stolen or lost. If such statements are correct, it is eminently unfair that they should forfeit their claims, and at your suggestion a form of bond was furnished by the attorney-general's department, and 22 of the total claims paid have furnished satisfactory bonds for double the amount in each case, by which it is stipulated that in case the books turn up, or for any other reason their rights to the funds should be questioned, the bondsmen agree to reimburse the Territory.

In the settlement of these claims there are two important questions which have not yet been disposed of:

First. The claims of the friends of those who have died.

Second. The claims of those who deserted and did not fulfill their contracts or the conditions under which they were allowed within the limits of the Territory.

In reference to the first question, in the early part of June I received a call from H. I. C. M. consul, Chan Tso Fan, regarding this matter. While Mr. Wray Taylor was in charge of the Chinese fund he had paid the claims of all those who were reported as dead to the Chinese consul, and, as you are aware, the writer had claim No. 5446 presented in person by the applicant who appeared to own the same by the photograph, and Mr. Taylor's record showed that this claim had been paid to the former consul, Wai Ping, under certificate of death given by Doctor Li. It seems no record had been kept at the consulate of these payments, and nothing could be done with the claim, although the present consul, Mr. Chan Tso Fan, has taken up the matter and written to the former consul for an explanation.

During the interview the writer stated that the legislature had provided that these payments should be made to the legal representatives of these claimants, and if the Chinese consul could in any way show, by treaty stipulation or otherwise, that he is entitled to be recognized as the legal representative, the Territory would gladly pay him these claims, in response to which the Chinese consul called attention to the fact that such course was of international usage where the laws of the country permitted it, but I am not yet convinced as to the legality of such procedure.

In reference to the second question, relating to those who have not complied with their contracts, I have not yet knowingly allowed any such claim, but owing to the laxity of the plantations in keeping records of such matters it is impossible to make the statement that no such claims have been paid. I have, however, uniformly refused to pay claims where the evidence was conclusive that the contract had not been complied with, taking the ground that it was a matter for the courts to decide whether or not such claimants were entitled to a refund of their deposit. The points involved in this question are intricate, and it seems as if such claimants must at least prove that they have followed no other than an agricultural occupation. In such cases I have suggested that a friendly suit be instituted, and that every facility would be offered for such purpose, in order to determine the standing of this class of claims.

I inclose also a detailed statement of a number of unusual cases which have been presented. In these instances it is most difficult to ascertain whether or not the statements made are correct. There has undoubtedly been considerable traffic in these books. In some instances it certainly appears as if they were in the habit of presenting their books and securing a return ticket to China and then selling the ticket. In one case a claimant, whose identity appears to be satisfactory, claims that he has never been paid, yet there are no funds to his credit, and the postal savings bank account shows that a warrant was issued by the Federal authorities in payment of the account. On examining the receipts given by former secretary Cooper for these warrants, this number is deducted from the total and noted as not being received.

Of the appropriation there is a balance due the claimants of \$65,560.40, and the work of paying the claims is now under way again.

MEMORANDA RE "CHINESE FUND."

Nos. 932 and 5006.—June 10, 1903, received call from the Chinese consul, who stated that Doctor Li, former secretary of the consulate, had left the above-numbered books with Mr. Taylor, stating that the claimants were dead, and asking that the money be turned over to the consul. Above books can not be found.

No. 1123. *Ho Chong, Ewa plantation, presented May 25.*—There are no funds on the auditor's books. Investigation shows that Taylor drew the balance from the Postal Savings Bank on July 12, 1898, \$37.05. Book No. 2 shows entry that the above returned to China on steamship *Coptic* on July 14, 1898. There is no receipt either by claimant or any agent. Claimant denies the above.

No. 1614. *Tim Kin, Honokaa plantation, presented June 25.*—Assigned June 18 by Tim Kin to Y. M. Wee; acknowledged by Charles Williams as personally known to him. No funds. On July 18, 1901, the Chinese consul, Yee Ping, gave receipt No. 158 for \$40.45, as due Tim Kin, whom Dr. Greenfield certifies as having died February 28, 1901, of a broken neck.

No. 4237. *Loo Kin Wai, Kekaha Sugar Company, presented June 13.*—Claimant shows torn portion of contract and claims that he left his identification book with Fong Yuk, a laundryman in Honolulu, for safe-keeping. The book was sold under pretense that claimant was going to China. Book was canceled June 21, 1902 (receipt book No. 2, page 167), for ticket No. 7050, *City of Peking*, June 23, and Birdie Lum Ong signed for \$39.10.

No. 6561. *Kei Lui Ching, Wailuku Sugar Company, presented June 24.*—No funds. Investigation shows that Federal warrant No. 7709 was receipted for by Mr. Cooper, yet \$38.30 was drawn from bank by Mr. Taylor. (See his check No. 8.) Claimant wants money.

HAWAIIAN COINAGE.

Through the courtesy of Mr. W. G. Cooper, of the First National Bank of Hawaii, I am able to present the following statement of the redemption of Hawaiian coins by the United States Treasury Department:

Issue of Hawaiian coins.

Denomination.	Coined.	Issued.	Held in treasury.
Dollars	\$500,000	\$500,000	.....
Half dollars	350,000	350,000	.....
Quarter dollars	125,000	98,000	\$27,000
Dimes	25,000	25,000	.....
Total	1,000,000	973,000	27,000

Redeemed by the United States up to June 30, 1903.

Dollars	\$412,000
Half dollars	278,000
Quarter dollars	50,000
Dimes .....	.....
	740,000
Redeemed to August 18, 1903	23,000
Total	763,000

No dimes have been redeemed, as they have all been taken up by collectors and souvenir hunters.

COMMERCE.

There has been an increase in the value of shipments out of the Territory, not including specie, over last year of \$1,481,703. The main part of this increase is in the one item of sugar, its increase in value over the shipments of the last period being \$1,390,571. This is a decided improvement over the comparative statistics of the years ending June 30, 1901, and June 30, 1902, which show a falling off in the value of sugar shipped in the latter as compared with the former of \$3,173,810.41, although the weight of sugar shipped in the latter year was greater than that shipped in the former by 29,674,123 pounds.

Comparative table of merchandise shipped from Hawaii.

	Year ending June 30, 1901.		Year ending June 30, 1902.		Year ending June 30, 1903.	
	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.
Sugar, raw	690,894,234	\$27,093,923.41	720,553,357	\$23,920,113	774,825,420	\$25,310,684
Coffee	2,620,169	311,897.27	1,210,098	126,644	1,930,554	236,860
Rice	549,475	22,527.00	342,300	15,422	234,980	10,220
Fresh fruits		76,167.65		66,161		66,398
Honey		9,770.00		6,455		15,424
Hides	1,364,100	76,994.66	1,099,763	78,413	917,663	80,190
Wool, raw	819,734	110,184.94	351,418	38,681	364,794	43,552
Molasses		4,615.00				
Curios		1,696.00				
Other articles, including foreign merchandise		346,654.50		541,846		512,110
Total		28,054,430.43		24,793,735		26,275,438
Specie		1,320,770.27		157,706		802,838

The statistics for the last three periods show a steady increase in the production of sugar, the increase in the year ending June 30, 1903, of sugar shipped being 54,272,063 pounds over that of the previous year and 83,931,186 pounds over that of the year ending June 30, 1901.

The shipments of coffee show an increase of 720,456 pounds over the shipments of the previous period and a falling off of 689,615 pounds from the shipments of the year ending June 30, 1901. The shipments of coffee the past year were worth \$110,216 more than the shipments of the year before and \$75,037.27 less than the shipments of the year ending June 30, 1901, all of which would indicate a partial recovery in this product from the depression of the year to June 30, 1902.

Rice is inevitably a diminishing product, both from the competition of the new rice fields of Texas and Louisiana and the diminishing numbers of Chinese in the Territory.

The following articles show a falling off in value of shipments from the previous year:

	Year to June 30, 1902.	Year to June 30, 1903.	Decrease.
Rice	\$15,422	\$10,220	\$5,202
Sundries, including foreign merchandise	541,846	512,110	29,736
Total	557,268	522,330	34,938

The following articles show an increase in value of shipments over the previous year:

	Year to June 30, 1902.	Year to June 30, 1903.	Increase.
Sugar	\$23,920,113	\$25,310,684	\$1,390,571
Coffee	126,644	236,860	110,216
Fresh fruits	66,161	66,398	237
Honey	6,455	15,424	8,969
Hides	78,413	80,190	1,777
Wool	38,681	43,552	4,871
Total	24,236,467	25,753,108	1,516,641
Specie	157,706	802,838	645,132

Through the courtesy of the Department of Commerce and Labor I am enabled to furnish the following tables:

Total value of all articles imported from foreign countries and exported from the district of Hawaii for the fiscal year ending June 30, 1903.

	Imports.	Exports.
United States		\$26, 242, 869
Great Britain	\$507, 350	158
British colonies	726, 347	16, 429
Germany	387, 470	1, 232
Hongkong	158, 805	7, 896
Japan	970, 591	6, 432
Chile	307, 300	.....
France	4, 975	.....
Other countries	79, 175	422
Total	3, 142, 013	26, 275, 438

Shipments received from the United States	\$12, 675, 026
Imports from foreign countries	3, 142, 013
Total	15, 817, 039

Value of carrying trade to and from the district of Hawaii for the year ending June 30, 1903.

	Imports.	Exports.
American	\$985, 694	\$26, 261, 003
British	1, 114, 968	11, 642
French	24, 989	.....
German	351, 328	.....
Norwegian	86, 789	.....
Other	578, 245	2, 793
Total	3, 142, 013	26, 275, 438

Total value of domestic products shipped to the United States and exported to foreign countries during the fiscal year ending June 30, 1903.

Articles.	Quantity.	Value.
	<i>Pounds.</i>	
Sugar, raw	774, 825, 420	\$25, 310, 684
Coffee	1, 930, 554	236, 860
Rice	234, 980	10, 220
Fresh fruits .....	.....	66, 398
Honey .....	.....	15, 424
Hides	917, 663	80, 190
Wool, raw	364, 794	43, 552
Other .....	.....	464, 876
Total .....	.....	26, 228, 204

Domestic exports to foreign countries for year ending June 30, 1903.

	Value.	Pounds.
Coffee, raw	\$9, 574	78, 392
Rice	2	50
Fresh fruits	248	.....
Honey	144	.....
Other	17, 061	.....
Total	27, 029	.....

Domestic products shipped to the United States for the year ending June 30, 1903.

	Quantity.	Value.
	<i>Pounds.</i>	
Sugar, raw	774,825,420	\$25,310,684
Coffee	1,852,162	227,286
Rice	234,930	10,218
Fresh fruits		66,150
Honey		15,280
Hides	917,603	80,190
Wool, raw	364,794	43,552
Other		447,815
Total		26,201,175

Exports for the year ending June 30, 1903.

Domestic merchandise to foreign countries	\$27,029
Domestic merchandise to United States	26,201,175
Foreign merchandise to foreign countries	5,540
Foreign merchandise to United States	41,694
Total	26,275,438
Total specie exported to United States and foreign countries	802,838

Statement of vessels entering and clearing in the district of Hawaii for the fiscal year ending June 30, 1903, by nationality.

Nationality.	Entered.		Cleared.	
	Number of vessels.	Tonnage.	Number of vessels.	Tonnage.
American	426	673,418	430	667,718
British	76	178,771	74	176,981
Japanese	29	99,880	29	99,880
Norwegian	5	5,009	6	5,875
German	6	7,218	5	6,065
French	4	7,626	4	7,626
Italian	1	1,626	1	1,626
Russian	1	1,468	1	1,468
Danish	1	2,674	1	2,674
Swedish	2	3,157	1	1,446
Total	551	980,847	552	971,359

Total number of vessels entering and clearing in the district of Hawaii, coastwise and foreign.

	Entered.		Cleared.	
	Number of vessels.	Tonnage.	Number of vessels.	Tonnage.
Coastwise ^a	342	558,060	442	652,142
Foreign	209	422,787	110	319,217
Total	551	980,847	552	971,359

^a The figures under the title "Coastwise" refer to American vessels doing business between Hawaiian and mainland ports, but do not include vessels engaged in the traffic among the Hawaiian Islands.

Total number of vessels entering and clearing in the district of Hawaii during the fiscal year ending June 30, 1903, by ports.

	Coastwise. ^a				Foreign.			
	Entered.		Cleared.		Entered.		Cleared.	
	Number.	Tons.	Number.	Tons.	Number.	Tons.	Number.	Tons.
Honolulu	259	484,267	330	550,566	203	416,226	107	316,583
Hilo	48	49,973	47	52,153	.....	.....	.....	.....
Kahalui	7	6,677	12	12,865	6	6,561	2	1,727
Mahukona	17	5,838	19	6,769	.....	.....	.....	.....
Koloa	1	444	22	17,367	.....	.....	.....	.....
Lahaina	10	10,861	12	12,422	.....	.....	1	907
Total	342	558,060	442	652,142	209	422,787	110	319,217

^a The figures under the title "Coastwise" refer to American vessels doing business between Hawaiian and mainland ports, but do not include vessels engaged in the traffic among the Hawaiian Islands.

Coasting vessels engaged in the inter-island trade.

Owners.			Name of vessel.	Construc- tion.	Tonnage.	Motive power.
Inter-Island Company.	Steam	Navigation	Mauna Loa	Wood	536	Steam and sail.
			Hanalei	do	502	Do.
			W. G. Hall	do	380	Do.
			Mikahala	do	354	Do.
			Kauai	do	265	Do.
			Iwalani	do	240	Do.
			Noeau	do	221	Do.
			Niihau	do	201	Do.
			Keaunohu	do	193	Do.
			Waialeale	do	176	Do.
			James Makee	do	137	Do.
			Malolo	do	33	Gasoline and sail.
Wilder's Steamship Company.....			Kinau	Iron	773	Steam and sail.
			Claudine	do	609	Do.
			Maui	do	394	Do.
			Helene	do	393	Do.
			Kaiulani	Wood	243	Do.
			Hawaii	do	227	Do.
			Lehua	do	130	Do.
			Mololi	do	42	Do.
			Eclipse	do	163	Gasoline and sail.
			J. A. Cummins	do	79	Steam and sail.
Von Hamm, Young Company			Kaena	do	24	Do.
			Kamoi	do	108	Sail.
			Moi Wahine	do	75	Do.
			Concord	do	72	Do.
			Kiaukeaouli	do	72	Do.
			Luka	do	71	Do.
			Lavinia	do	40	Do.
			Chas. L. Woodbury	do	100	Do.
			Julia E. Whalen	do	96	Do.
			Kawailani	do	24	Do.
Sing, Chong & Co.....			Kaiulani	do	13	Do.
			Ada	do	28	Do.
			Lady	do	20	Do.
			Rob Roy	do	17	Do.
			Mokihana	do	16	Do.
			Fearless (tug)	Iron	85	Steam.
			Chas. Counselman (tug) .....	.....	55	Do.
		
		
		
A. Dowsett .....			.....	.....	.....	.....
		
		
		
		
		
		
		
		
		
H. R. Macfarlane.....			.....	.....	.....	.....
		
		
		
		
		
		
		
		
		
M. Susuki .....			.....	.....	.....	.....
		
		
		
		
		
		
		
		
		

RECAPITULATION.

	Iron.	Wood.	Vessels.	Tonnage.
Steam vessels	4	17	21	6,119
Gasoline vessels .....	.....	2	2	196
Sailing vessels .....	.....	14	14	752
Total	4	33	37	7,067

Through the courtesy of the United States immigration service at Honolulu I am able to furnish the following:

	Chinese (only those with return permits).		Japanese.	
	Males.	Females.	Males.	Females.
Arrivals.....	552	29	9,065	2,985
Departures.....	456	3	.....	.....
Total.....	1,008	32	9,065	2,985

The ocean cable, which last year connected the Hawaiian Islands with the rest of the world, is of great importance to the Territory, officially, commercially, and socially.

PUBLIC WORKS.

The superintendent of public works reports as follows:

The statistics contained in the present report cover the entire period from July 1, 1902, to June 30, 1903, and are now to be substituted for those contained in the report ending December 31, 1902.

The only funds available for public improvements have been derived from current receipts. For this reason new work has been confined almost exclusively to road building.

Since my incumbency it has been the practice to prepare estimates of expenditures just prior to the beginning of each quarter of the year. These estimates have been discussed at meetings of the heads of departments at the regular meetings held in your chambers. In this way an agreement has been arrived at, governing the several departments so that funds placed at our disposal by the treasurer should not be overdrawn.

In carrying out this method I have been careful not to exceed the allowance put at the disposal of my department. This has been accomplished by restricting authorizations to road boards and by restricting contracts for new work so that the amount would not exceed the estimate for the quarter.

New work has been undertaken in the following instances:

Statement of contracts.

Contract.	Date.	Amount.	Paid.	Character of work.	Appropriation.	When completed.
Cotton Bros. & Co.....	July 3, 1902	\$11,804.00	\$11,804.00	Approach Hackfeld Wh.	L. & B., Honolulu.....	Dec., 1902
Do.....	do	11,753.36	11,753.36	do	R. & B., 5th dist., Hon.	Do.
Honolulu Iron Works.....	July 7, 1902	4,118.16	4,118.16	Furnish 10-inch pipe	Hilo waterworks.....	Oct., 1902
Globe Navigation Co.....	July 28, 1902	3,769.80	3,769.80	Coal for pumping station	Running ex. pumps.....	Feb., 1903
L. M. Whitehouse.....	Aug. 5, 1902	807.78	807.78	Laying pipe, Waialea	Hilo waterworks.....	Oct., 1903
Do.....	Aug. 11, 1902	4,420.13	4,420.13	Pukhae arch, Hilo.	Hilo roads.....	Feb., 1903
J. J. Belser.....	Aug. 29, 1902	10,488.74	10,488.74	Filling Waikiki road	R. & B., 4th dist., Hon.	Dec., 1902
Honolulu Iron Works.....	Oct. 2, 1902	2,025.35	2,025.35	Furnish 4-inch pipe	Hilo waterworks.....	Do.
J. W. Springston.....	Oct. 17, 1902	855.00	855.00	Culverts, Waikiki road.	R. & B., 4th dist., Hon.	Do.
Globe Navigation Co.....	Oct. 21, 1902	2,732.00	2,732.00	Coal for pumping station	Running ex. pumps.....	Mar., 1903
Hustace & Co.....	Dec. 18, 1902	550.00	550.00	Moving sewer pipe	Sewerage, Kewalo dist.	Dec., 1902
Hawaiian Gazette Co.....	Dec. 18, 1902	326.36	326.36	Second annual report	Printing and advertising	Mar., 1902
Bulletin Publishing Co.....	Dec. 31, 1902	204.14	204.14	Superintendent's report	do	May, 1903
W. W. Bruner.....	Dec. 31, 1902	7,646.26	7,646.26	Huehue road	Road Huehue to S. K.	
Whitehouse & Hawthurst.....	Jan. 2, 1903	2,109.00		Waluku Bridge	Hilo roads.....	
Do.....	do	9,750.00		Constructing reservoir	Hilo waterworks.....	
Do.....	do	2,983.00		Material, Waluku Building	Waluku Bridge.....	
Do.....	do	3,264.00		Material, Waialea Building	Waialea Bridge.....	
I. I. S. Nav. Co.....	Jan. 15, 1903	3,918.00	3,918.00	Coal sewer pumping station	Run. exp. pumping sta.	
Nuno Fernandes.....	Jan. 22, 1903	1,500.00	1,500.00	Filling road, culvert, Pukhae	Hilo roads.....	
I. I. S. Nav. Co.....	Feb. 27, 1903	4,068.00	2,009.00	Coal, pumping plant	Run. exp. pump. station	May, 1903
John Walker.....	Mar. 10, 1903	161.43	161.43	Curb, approach wharf	Curb & pav. gov. sidewalk	Apr., 1903
Honolulu Iron Works.....	Mar. 23, 1903	525.00	525.00	Steel for 32-foot bridge	R. & B., Lihue.....	June, 1903
Do.....	Mar. 24, 1903	1,819.00	1,819.00	I-beams, Nuanuu Bridge	R. & B., 4th dist., Hon.	Do.
C. B. Dwight.....	Apr. 2, 1903	1,086.75	1,086.75	Curb, Thomas square	C. B. Dwight Cont.	Do.
F. H. Jordan.....	Apr. 15, 1903	2,976.00	2,976.00	Waluku Bridge	Bridge at Waimaha.....	Do.
Whitehouse & Hawthurst.....	May 12, 1903	6,700.00		Steel bridge, Kalihiwai	Bridge at Kalihiwai.....	Do.
C. P. Benton.....	May 14, 1903	13,889.00	1,480.80	Ahualoa road	Road Ahualoa to Waimea	
Benton & Arioli.....	do	Schedule.	1,500.00	Por. of Pahala rd.	Road Pahala to Volcano	
Grimwood, Richardson & Co.....	May 26, 1903	3,200.00		Steam roller, Kau	Purchase steam roller, Kau	
Lord & Belser.....	May 27, 1903	5,489.00	930.93	Filling Beretania avenue	Widening, etc., Waialea	
H. De Fries.....	May 28, 1903	12,880.00	2,807.20	Oceanic dock	L. & B., Honolulu.....	
Lord & Belser.....	May 29, 1903	1,207.00	452.80	Pahoehoe arch culvert	Widening, etc., Waialea	
Do.....	Extra	558.44	558.44	do	do	
Do.....	June 8, 1903	682.97	680.16	Storm sewer, Bishop street	R. & B., 4th dist., Hon.	June, 1903
Hawaiian Electric Co.....	June 10, 1903	4,500.00		Electrical supplies	Elec. light, Hon.	
John C. Pineau.....	June 16, 1903	1,894.50		Retaining wall, Kalanoo	R. & B., Ewa, dist.	
I. I. S. Nav. Co.....	June 26, 1903	7,746.00		Coal, pumping plant	Run. exp. pumping plant	
Nuno Fernandes.....	June 25, 1903	5,200.00		Abutments, Waioa Bridge	Waialea Bridge.....	
Cotton Bros.....	June 29, 1903	22,717.00		Steel bridge, Waimea	Bridge at Waimea	

Below are submitted tables showing balances of appropriations as of July 1, 1902, and June 30, 1903, expenditures for the twelve months intervening out of the various appropriations belonging to this department, and amounts carried to next period.

	Balance July 1, 1902.	Expenditures.	Balance June 30, 1903.	Carried to next period.
Salaries and pay rolls.....	\$188,592.54	\$177,737.80	\$10,854.74	.....
Construction, maintenance, and repairs of roads and bridges.....	1,258,587.65	420,484.31	838,103.34	\$151,239.40
Waterworks.....	127,844.90	91,261.69	36,583.21	12,018.05
Sewerage, Honolulu.....	62,312.42	43,416.05	18,896.37	1,284.64
Fire departments.....	32,807.18	21,928.02	10,879.16	.....
Wharves and harbors.....	60,348.09	8,680.36	51,667.73	33,032.22
Landings and buoys.....	64,040.25	49,214.56	14,825.69	10,633.48
Electric lights.....	21,690.82	16,613.66	5,077.16	3,991.56
Furniture, buildings, and grounds.....	48,787.80	12,800.95	35,986.85	3,052.92
Cemeteries.....	19,748.50	3,050.49	16,698.01	.....
Subsidies.....	34,500.00	10,500.00	24,000.00	24,000.00
Reimbursements.....	2,337.85	.....	2,337.85	.....
Unpaid bills.....	173,393.43	42,263.44	131,129.99	126,303.34
Miscellaneous.....	156,783.71	27,575.15	129,208.56	.....
Total.....	2,251,775.14	925,526.48	1,326,248.66	365,555.61

In addition to payments out of appropriations for roads and bridges of the Territory, expenditures are also made out of special tax funds of the several road boards. These funds represent the road taxes collected in the various districts which are credited to them by the treasurer. The approval of the expenditures out of these funds does not require the sanction of the superintendent of public works, being subject only to the discretion of the chairman of the road boards. The chairman draws his draft upon the superintendent, who honors same with his own draft upon the special deposit in the treasury.

Financial statements are rendered to the department at the end of each quarter, accompanied by vouchers covering expenditures.

The following is a comparative statement showing distribution of expenditures out of appropriations and road-tax funds for the various islands of the Territory for the year ending June 30, 1903, for construction, maintenance, and repairs of roads and bridges:

	Expenditures from appropriation.	Expenditures from road tax.	Total.
Island of Hawaii.....	\$146,786.09	\$55,396.08	\$202,182.17
Islands of Maui, Molokai, and Lanai.....	24,001.77	20,072.24	44,074.01
Island of Oahu.....	219,727.53	52,879.78	272,607.31
Island of Kauai and Niihau.....	28,760.05	21,636.56	50,396.61
Total.....	419,275.44	149,984.66	569,260.10

The following statement shows the amounts and sources of collections by the department for the twelve months ending June 30, 1903:

Garbage.....	\$6,460.65
Rents.....	49,980.37
Sewers.....	12,643.98
Excavator.....	5,752.75
Land sales.....	6,270.56
Land sales, interest.....	231.39
Weights and measures.....	176.75
Market.....	14,054.95
Government realizations.....	12,415.53

Total collections, office of superintendent of public works.....	107,986.93
Paid into treasury as per receipts.....	103,004.83

Shortage.....	4,982.10
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This shortage occurred the latter part of August and the early part of September, 1902, during the incumbency of James H. Boyd, superintendent, and B. H. Wright, chief clerk, as stated in my supplemental report to December 31, 1902.

The following is a statement of receipts by bureaus of the department of public works, from July 1, 1902, to June 30, 1903:

Harbor master, Honolulu.....	\$70,305.52
Harbor master, Hilo.....	2,438.47
Powder magazine, Honolulu.....	1,573.77
Powder magazine, Hilo.....	535.35
Kerosene warehouse, Honolulu.....	5,951.45
Kerosene warehouse, Hilo.....	422.86
Waterworks, Honolulu.....	102,841.85
Waterworks, Hilo.....	6,610.25
Waterworks, Laupahoehoe.....	137.15
Waterworks, Wailuku and Kahului.....	4,413.80
Waterworks, Lahaina.....	1,328.95
Waterworks, Koloa.....	195.00
Total.....	<hr/> 196,754.42

PUBLIC SURVEY.

The work of this department and its miscellaneous character is shown by the extracts given below from the report of Mr. Walter E. Wall, surveyor.

The work of the department has been somewhat limited of late through inadequate appropriations.

The report on meteorology and tides, by Mr. Curtis J. Lyons, meteorologist, I insert nearly in full.

[Extracts from the report of the surveyor.]

FIELD WORK.

Hawaii.—In the Puna district the Curtis Settlement Association homestead surveys have been completed. The eight lots, located at 11½ miles, Volcano road, have been substantially marked on the ground with large posts and all division or boundary lines plainly cut through. These lots will average about 10 acres each. Map and descriptions of lots are completed.

At 27 miles, Volcano road, two large tracts containing an area of 3,600 acres were divided into 18 lots of 200 acres each. This region is covered with a dense forest and a heavy undergrowth of ferns, etc., which is kept exceedingly damp by the numerous showers or daily rains. Much difficulty was experienced in keeping men at work in this section, owing to a great amount of rain and consequent coldness in a dense forest at an elevation of over 3,000 feet.

The lots extend from the Volcano road to a distance of over 3 miles into the forest. The work on this survey was begun in the latter part of September and was completed the latter part of December. The assistant has placed substantial posts at all lot corners, cut 26 miles of line through this dense forest, so that the homesteaders will have no difficulty with their boundaries, and has profiled 7½ miles of road.

The plans of these tracts and the descriptions of the lots have been nearly completed.

A preliminary survey and plan of part of the upper Laupahoehoe and Kamaee tracts have been made, which show all plantation roads, approximate contour lines, etc.

Profiles of the plantation roads are completed, so it will now be an easy matter for the road engineer of the public-works department to locate roads for the homestead tracts. The tract can be quickly subdivided just as soon as this important matter of roads has been decided upon.

A complete survey has been finished of the section of Kau, extending from the ahupuaa of Waiohinu on the east to Pakini and Kahuku on the west.

It consists of 21 ahupuaas, containing 42 grants and 47 land-commission awards.

The lower portion of the government remnant, containing an area of 3,000 acres or more, was cut up into homestead lots of sizes varying from 30 to 200 acres. Four roads and branch roads connecting with the main government road were laid out 40 feet wide, with a maximum grade of 6 per cent, giving convenient and easy access to every lot.

The upper portion of the government land, 5,000 acres or more, was set apart as a forest reserve.

The corners of all the lots and every corner touching on the government land has been marked by a stone bound and mark and a pile of stones (ahu), so that there can be no trouble whatever in finding on the ground every corner located on the map. The entire work is thoroughly tied up by triangulation to the primary triangulation stations of the government surveys.

As these primary triangulation stations are themselves marked by huge stone ahus, always in place and always ready to be sighted upon at any required distance, no one need spend time in hunting for them or feel any uncertainty about their exact position.

Should the Kona and Kau Railroad pass through or near this section of the country these lots will be greatly enhanced in value. They formerly supported a large population, and if properly developed and improved by bona fide settlers may yet become the homes of desirable citizens.

During the months of January and February a portion of the Olaa tract off the Volcano road, at a distance of $24\frac{1}{2}$ miles from Hilo, was subdivided into homestead lots for the Brughellie Settlement Association.

The division consists of nine lots, containing an area of 200 acres each. The entire land is covered with a dense forest and a heavy undergrowth of ferns, vines, etc. Owing to these conditions and the frequent rains the assistant in charge found it difficult to make rapid progress. It was found necessary to complete the surveys of a few of the Olaa Reservation lots in the vicinity by cutting the division lines through and marking them.

A survey has been made of the Honomu forest lands in the Hilo district, the object of which was to determine whether the government remnants should be laid out into homesteads or kept as a forest reserve.

The Waipunalei homestead lots have been located with reference to new roads passing through the tract. A new plan and descriptions of these lots is very nearly completed. It might be mentioned that no descriptions of the lots had been furnished with the original survey.

The Piihonua forest survey, which had to be discontinued for a while in order to take up more urgent work, was completed the latter part of June, and we are pleased to report that the map, which will show all of the clearing permits and natural features of the forest region up to an elevation of 2,100 feet, will soon be finished. The assistant who was in charge of the field party found it necessary to cut his way through on every course made in the survey. The forest is very dense and is kept exceedingly damp by frequent rains. There was almost constant rain during the month of May, which retarded the progress of the survey to some extent.

At the request of the superintendent of the Bernice P. Bishop estate a most careful study was made of the Keauhou-Kapapala boundary between the crater of Kilauea and the land of Humuula, with a view of permanently establishing this line. This important work was taken up by Mr. E. D. Baldwin, who was fortunately successful in finding several of the original points on the ground referred to in the boundary certificates of the lands. The acceptance by the estate's superintendent of the boundary line as recently determined prevents any dispute or further misunderstanding on the part of the leaseholders who are concerned in the construction of the fence that is to be placed along the lower division of the grazing lands. It is our intention to place a number of substantial monuments on this line, which is over 13 miles in length. No explanation is needed to show that even a narrow strip of only a few hundred feet would represent an area of considerable worth on such a long distance. The Bishop estate will, in accordance with an agreement, pay one-half of the expenses of the survey.

As stated in previous reports, it is becoming quite important to establish and mark the bounds of government tracts. This becomes the more evident as the private properties are being developed.

The survey of the Alikai homestead lots in Kona, which was reported nearly finished last year, has been completed. The plan and descriptions of these lots, which aggregate 3,000 acres, are on file for use at any time. A beach lot of 40 acres in Mahaiula-Kaulana was laid out for an applicant at the request of the land commissioner.

Hilo city work.—A complete cross-section survey has been made of the Hilo Reservoir site and considerable work done on the grades and location of the new pipe system.

Assistance has been rendered the road board by furnishing street lines, grades, etc., when needed for either road or bridge construction. Our systematic block measurements and calculations have progressed a little, and we are having compiled and collected together in record form all field books, calculations, etc.

Maui.—A field party was sent to Maui in the early part of February, and has been kept steadily at work on homestead surveys up to this time. The makai portion of

the land of Kamaole, a tract of second-class pasture land partly covered by panini or cactus, containing a little over 4,000 acres, was cut up into 71 homesteads, ranging in size from 40 to 60 acres each. The land being wide, necessitated the running out of two main roads, besides several side or branch roads, from the beach to connect with the main mauka government road. In all, over 13 miles of road was run, besides the accurate location of 2½ miles of seacoast. A strip of land 400 feet wide facing on the beach was set aside as a public reservation.

The next work taken up was the subdivision of the land of Alae. This tract of 900 acres runs from the plains below to far up on the slopes of Haleakala. Below the main government road, in a tract of first-class land, 8 lots, containing an area of from 30 to 40 acres each, were laid out. There remains a government remnant of 220 acres below these lots which is only suitable for grazing purposes at certain times of the year. Above the government road 7 lots, containing from 15 to 25 acres each, were laid out in the corn belt. The remainder of 180 acres was set aside as a forest reservation. In making this survey it was necessary to locate and mark the corners of a great many kuleanas and grants. There are 2 miles of roadway in this subdivision. Mention may also be made here that preliminary steps were taken to lay out a forest reservation in the lands from Kamaole to Waiakoa, but the government and the parties concerned having come to no definite understanding, the work has been held in abeyance.

Oahu and the city of Honolulu.—The work in the outer districts of Oahu has been rather limited, and consists only of the new division of the homestead lots of Lualualei, Waianae, and the government remnants in the lower part of Waiahole Valley. The Lualualei lots, 7 in number, cover an area of over 4,000 acres. The Waiahole remnants consist of 18 pieces, containing an area of 35.78 acres.

As these parcels of land are bounded by numerous small holdings or kuleanas, much care had to be taken in the survey. The established bounds have been marked in the most substantial manner with concrete posts.

The numerous public and private improvements carried on in this period have required much work from the Department, including the following, among other items:

Detail surveys of new street lines, building lots, and public grounds.

	Feet.
Curb lines and grades.....	30,650
Street profiles.....	31,460
Plans and profiles for grade commissioners.....	4,700
Line given for telephone poles.....	11,100
Line given for electric-light poles.....	4,700
Lines given for Honolulu Rapid Transit and Land Company poles.....	29,300
Lines marked on ground for street widenings.....	32,460
Street lines marked for fencing, road construction, etc.....	36,220
Grades marked for street construction.....	15,500
Grades given the Honolulu Rapid Transit and Land Company for track laying.....	24,100

OFFICE WORK.

Number of maps registered.....	38
Number of descriptions of surveys furnished.....	156
Number of tracings furnished.....	93
Number of blue prints furnished.....	407
Number of building permits considered for street line and grade.....	174
Number of maps registered to date.....	2,191
Number of descriptions of miscellaneous surveys furnished to date, not including descriptions of homestead surveys.....	1,388

The foregoing is but a portion of the miscellaneous work done in the office, which consists principally of calculations, map drawing, arranging and indexing records, and the furnishing of information on many matters relating to Government and private lands.

The photolithographed maps of the islands of Oahu and Kauai have been received from the publisher and offered to the public at a reasonable cost.

The new map of the island of Kauai is drawn to a scale of 5,000 feet to one inch, and contains much data obtained through the courtesy of private surveyors and land owners.

There is a constant demand for consulting the maps and other records in the office, and it occupies much time on our part in giving information on a great variety of matters pertaining to lands.

Statement of expenditures and receipts of the survey department.

EXPENDITURES.

	Balance of appropriations July 1, 1902.	Drawn July 1, 1902, to June 30, 1903.	Unexpended balance.
Salaries of surveyor, meteorologist, and assistants	\$11,500.00	\$11,500.00	.....
Expenses of field parties and office work	26,903.02	26,819.89	\$83.13
Publishing maps	911.04	894.04	17.00
Meteorology	535.50	534.30	1.20
Total	39,849.56	39,748.23	101.33

RECEIPTS.

Sale of published maps	\$67.50
Blue prints, tracings, and data furnished	167.20
Rating chronometers	15.00
Sale of 1 mule	40.00
Total	289.70

UNFINISHED AND NEW WORK.

Survey of government lands for settlement purposes and survey of disputed or unsettled boundaries of government lands.

REPORT OF TERRITORIAL METEOROLOGIST.

Records of daily rainfall have been received from 40 stations on the island of Hawaii, 4 of these being new ones started within the year. Ten stations on Maui have reported, and 3 that began the year have dropped out; efforts will be made to get the back records of these places and to have the reports continued. Oahu has 29 stations reporting and Kauai 16, making a total of 95 stations in the group, an increase of 15 stations since my last report. These records are made by volunteer observers and the monthly totals published in the Honolulu papers about the 15th of the succeeding month.

In addition to rainfall reports, 14 stations make temperature and direction and force of wind observations and also brief notes on the weather. Four observers make daily observations of humidity and two send barometer readings in addition to the above.

The publication of these observations, as well as those of the outstations, in permanent form begins with the year 1892, and at the time of my last report ended with the year 1898. During the past year the reports have been brought up to the beginning of the present year, and when funds for the purpose became available, July 1, were turned over to the printer and are now going through the press.

Every month a summary, including the averages, changes, and comparison of normal meteorological conditions and the rise or fall of the artesian wells, is published in the local papers. This includes also the average temperatures and other items from outside stations, especially the percentage of district rainfall as compared with normal.

The daily conditions are telephoned to three daily papers—two evening and one morning. The latter has also furnished to it the forecasts for the day, which has proved in a measure successful. One morning and one evening paper have the predicted tides and a table of the sun and moon furnished them weekly, and a weekly table of meteorological conditions is published in a morning paper.

In addition to the above a full report is made to the Chief of the United States Weather Bureau at Washington and is published by the organ of that Bureau, the United States Weather Review, the editor of which has shown a special interest in this station.

The United States Hydrographic Office of the Navy Department also receives monthly reports from this office. Our published annual reports are sent to the leading observatories and weather offices abroad, and publications received from them in exchange add valuable matter to the archives of this office.

TIDES.

The automatic tide gauge in Honolulu Harbor is under the charge of this office and is in continuous service, this being one of the most important stations of the

world. Duplicates of the records have been sent to the tidal division of the United States Coast and Geodetic Survey up to June 30 of this year and will be furnished regularly at the end of every six months.

PUBLIC LANDS.

The report of Mr. Edward S. Boyd, commissioner of public lands, gives the work of the department for the year ending June 30, 1903. From this it appears that the majority of settlers during the year are white men.

It is evident that the settlement of the available lands of the Territory by farmers owning and cultivating their holdings must be of gradual growth. The large area of public lands held under unexpired leases is one reason for this. Other reasons are want of markets, cheap transportation, and sufficient good roads. Road making in the Territory, especially in those portions that have an abundant rainfall and occasional gulches, is very expensive, and constant and expensive repairs are required to keep roads in such localities in order. With almost every new area reserved for settlement new roads have to be laid out and constructed, as far as possible, though completion of such roads is often delayed to the prejudice and discouragement of the settlers.

As the farming class increases there will probably be developed among them organizations to facilitate the marketing of their products. The need of such cooperation already exists, as the farmer, single handed, has serious difficulties to overcome in disposing of his produce.

The most promising crops for the Hawaiian farmer at the present time are probably those for which there is a demand outside of the Territory, such as pineapples, castor-oil beans, and sisal. Undoubtedly, also, there is a good outlook for the production of vegetables for the Pacific coast demand during the winter months.

Experiments are being made with tobacco and the vanilla bean, which, if successful, will add materially to the farming resources of the Territory. Those weighing the question of coming here to take up land for cultivation should consider the fact that a great part of the lands of the Territory suitable for farming are capable of cultivation the year around, and the proprietor may obtain nearly everything his family consumes from the ground except groceries, flour, dry goods, lumber, and hardware; as to articles under the heading of groceries, he may produce his own butter, eggs, salt pork, lard, and preserves.

The table of plants of value given under the title of agriculture will be of interest to prospective settlers.

REPORT OF THE COMMISSIONER OF PUBLIC LANDS.

The following tracts of land were surveyed and divided up for disposition during the year:

Kalaoa-Ooma, North Kona, Island of Hawaii.

Kiolakaa-Keaa, Kau, Island of Hawaii.

Papa II, South Kona, Island of Hawaii.

Rose Settlement Association, Puna, 27 miles Olaa road, Island of Hawaii.

Brughelli Settlement Association, Puna, 24 miles Olaa road, Island of Hawaii.

Twenty-seven and one-half mile tract, Olaa, Puna, Island of Hawaii.

Lualualei, Homestead tract, Waianae, Oahu.

From lands surveyed and opened during the period (including a number of lots remaining from the former period) the following lots have been taken up under the various systems of the land act:

Lands taken up under the general provisions of the land act of 1895.

[Other than cash sales and Olaa purchases under special conditions, Part IX.]

Land districts.	Right of purchase leases.			Cash freeholds.			Special agreements.			Homesteads.	
	No.	Acres.	Value.	No.	Acres.	Value.	No.	Acres.	Value.	No.	Acres.
First, Hilo and Puna.....	159	11,597.64	\$31,989.88								
Second, Hamakua and Kohala.....										7	54.34
Third, Kona and Kau.....	24	5,669.98	7,898.94	4	61.55	\$269.00				6	77.72
Fourth, Maui, Molokai, etc.....											
Fifth, Oahu.....							6	3,437	\$8,074.00	3	14.18
Total.....	183	17,267.62	\$9,888.82	4	61.55	269.00	6	3,437	8,074.00	16	146.24

Summary of above table.

	Number.	Acres.	Value.
Right of purchase leases.....	183	17,267.62	\$39,888.82
Cash freeholds.....	4	61.55	269.00
Special agreements.....	6	3,437.00	8,074.00
Homestead leases.....	16	146.24	
Total.....	209	20,912.41	48,231.82

The above table shows an increase in land transactions by 79 holdings for the year and has fulfilled my predictions in my last year's report.

Cash sales.

	Number of lots.	Number of acres.	Purchase price.
Island of Maui.....	12	41.36	\$1,642.00
Island of Hawaii.....	1	40.00	123.00
Total.....	13	81.36	1,765.00

General leases.

Date of lease.	Lessee.	Location.	Area.	Term.	Annual rental.	Remarks.
			<i>Acres.</i>	<i>Years.</i>		
July 5, 1902	Apokaa Sugar Co.	Pouhala, Ewa, Oahu.	2.63	5	\$41.00	
Aug. 9, 1902	Hawaiian Agricultural Co.	Kaala-Kaioula-Mohakapu and Poha Kuloa, Kau, Hawaii.	3,119.50	5	2,000.00	About 900 acres cane land, the rest barren lava waste.
Do.....	do.....	Forest lands between Keaiwa and Kapapala, Kau, Hawaii.	5,000	21	200.00	High forest land, leased under forest conditions.
Mar. 7, 1903	Lam Wo Sing.....	Kaneloa, Wai-kiki, Oahu.	15.15	5	45.00	
Do.....	Chang En Chong.	Ka wailoa-kai Kailua, Oahu.	72.42	10	260.00	
Do.....	J. C. Searle.....	Lots 6, 26, 27, 28, 34, and 35, Niole and Wailau, Kau, Hawaii.	107	21	26.75	Rocky grazing land
June 13, 1903	Kaneohe Ranch Co.	Ka wailoa-nka, Kailua, Oahu.	525	10	225.00	Dry grazing land.

Receipts public lands department for the twelve months ending June 30, 1903.

Land revenue:

Rents—

General leases	\$94,978.57
Right-of-purchase leases	5,646.95
Olaa leases	513.06
Kaimu leases	38.22
Puukapu leases	9.75
Miscellaneous	1,318.50

Interest—

Homesteads	313.69
Special agreements	1,079.96
Cash freeholds	5.45

Office fees	424.00
Patent fees	750.00

 \$105,078.15

Land sales—

Purchase of right-of-purchase leases	11,088.96
Special agreements	3,506.80
Homesteads	888.17
Cash freeholds	92.25
Olaa lots	185.05
Cash sales	2,230.00

 17,991.23

 Total 123,069.38

The above shows an increase in the receipts of this commission of \$6,146.05 over and above the receipts for the year ending June 30, 1902, and it is hoped that next year the increase will be in the neighborhood of \$10,000 to \$15,000.

Statement of expenditures for the year ending June 30, 1903.

	Balance of appropriation July 1, 1902.	Drawn.	Balance.
Salary of commissioner	\$3,600.00	\$3,600.00	.....
Salary of secretary and subagent, fifth land district	2,100.00	2,100.00	.....
Salary of clerk and messenger	2,100.00	2,100.00	.....
Pay of subagents, first, second, third, fourth, and sixth land districts	3,800.00	2,880.00	\$920.00
Pay of rangers, first, second, third, fourth, and fifth land districts	2,040.00	1,990.00	50.00
Incidentals (including land-patent books, etc.)	1,889.90	1,856.97	32.93
Preliminary roads and trails	7,000.00	120.50	6,879.50
Expenses filing boundary certificates	229.40	33.54	195.86
Total	22,759.30	14,681.01	8,078.29

Appropriation made by legislature of 1903.

	Appropriation.	Drawn.	Balance July 1, 1903.
Office and traveling expenses, printing, advertising, and incidentals	\$1,800.00	\$1,519.53	\$280.47

Land patents have been issued during the year ending June 30, 1903, upon the following systems:

	Number.	Area.	Consideration.	Average per acre.
		<i>Acres.</i>		
Right-of-purchase leases	67	3,624.69	\$23,546.88	\$6.49
Homesteads	7	133.51	1,131.72	8.48
Land exchanges	22	2,224.30	781.36	.35
Time payments	6	259.21	4,920.84	18.02
Cash freeholds	4	77.06	476.57	6.18
Cash sales	16	86.92	4,265.00	49.07
Total	122	6,405.61	35,122.37	5.48

Land patents issued on land commission awards during the year ending June 30, 1903.

Patent No.	Area.	Patentee.	Location.
8137	21 acres, 1 rood, 33 perches.	B. Naumu	Waimea, Kona, Kauai.
8138	246.18 acres	Wm. Harbottle	Holi, Kona, Molokai.
8139	1,425 acres	Kaleleiki	Makakupaia, Kona, Molokai.
8140	16,687.78 acres	Keuweamahi	Pulehu-nui, Kula, Maui.
8141	7.67 acres	Julia A. Kauwa	Kaliu and Kapahala, Honolulu, Oahu.
8142	Not given	R. Keelikolani	Waipaa, Koolau, Kauai.
8143	3,921 acres	W. P. Leleiohoku	Kamalo, Kona, Molokai.
8144	265.78 acres	Kapu	Mahinui, Koolaupoko, Oahu.
8145	4 acres, 5.38 chains	Julia Kekoa	Kalauao, Ewa, Oahu.
8146	2,061.79 acres	Keelikolani	Kuia, Lahaina, Maui.
8147	66 acres	Kaunuohua, for W. K. Moehonua.	Moekauea, Kalihi, Kona, Oahu.
8148	67 acres, 1 rood	Kaaha	Knuloa, Hanapapa, Kauai.
8149	753 acres	Kinimaka	Honoufimaloo, Kona, Molokai.
8150	119 acres	William Sumner	Kahololoa, Kona, Oahu.
8151	1.50 acres	Pahu	Keauhou, Kona, Hawaii.
8152	952½ square feet	L. D. Maigret	Fort Street and Gardner Lane, Honolulu, Oahu.
8153	1.12 acres	Kaunuohua, for W. L. Moehonua.	Moekauea, Kalihi, Kona, Oahu.
8154	41 acres	M. Kekauonohi	Kaamiki, Pelekunu, Kona, Molokai.
8155	1.50 acres	Palalauhulu	Keopu 2, Kona, Hawaii.

Surveys of public lands for settlement and other purposes have been pushed and the survey department taxed to its utmost capacity, with the result that the subdivision of several desirable tracts of land has been completed and opened during the year.

Surveys of the following tracts of land are in the course of completion:

Kamaole, Kula, Maui; Alae, Kula, Maui; Omaupio, Kula, Maui; Wailua-Keanae, Koolau, Maui; Laupahoehoe, 2 tracts, Hilo, Hawaii; Honomu, Hilo, Hawaii; Waiahole, Koolau, Oahu.

Contemplated: Waimea, Kohala, Hawaii; Waiakoa, Kula, Maui; Hanalei, Kauai.

A large area of public lands too rough for other cultivation, but with soil and climate suited to the growth of rubber trees, sisal, etc., is found on nearly all of the islands. The establishment of this or some kindred industry would give new value to public lands large in amount and now practically unused.

Of the 209 holdings taken up during the year, over two-thirds of same were taken up by white settlers, or 146 in number, the balance by Hawaiians. In the matter of allotting lots to settlers no distinction is made, only they must have the necessary qualifications and be American citizens.

In conclusion, I wish to state that this office will use its best endeavors in every way possible to settle our public lands with desirable settlers, and will encourage by literature and otherwise the migration of American farmers.

LAND SETTLEMENT.

The following tables give statements of small holdings taken up under the homestead act of 1884, amended in 1886 and 1892, and under the various provisions for land settlement enacted in land act 1895:

Homesteads under the laws of 1884, 1886, and 1892.

Nationality.	Number.	Area.	Value.
		<i>Acres.</i>	
American	47	800.95	\$8,715.34
Hawaiian	211	3,257.31	18,689.03
Portuguese	204	3,333.68	26,159.42
German	14	236.13	2,386.37
Russian	2	35.32	384.84
Japanese	39	632.17	4,705.67
Chinese	14	226.51	1,177.57
Total	581	8,522.07	62,218.24

Special agreement on time payment, land act 1895.

Nationality.	Number.	Area.	Value.
		<i>Acres.</i>	
American.....	121	8,742.72	\$70,747.49
Hawaiian.....	75	5,778.37	29,095.70
Portuguese.....	55	2,936.20	25,565.25
British.....	4	312.70	1,254.00
German.....	3	91.52	1,310.84
Russian.....	6	295.86	3,450.36
Greeks.....	3	203.88	3,254.00
Japanese.....	3	118.69	1,659.00
Total.....	270	18,479.94	136,336.64

Certificate of occupation, Part VI, land act 1895.

Nationality.	Number.	Area.
		<i>Acres.</i>
Hawaiian.....	171	2,083.91
Portuguese.....	13	92.49
Total.....	184	2,176.40

Right of purchase lease, Part VII, land act 1895.

Nationality.	Number.	Area.	Value.
		<i>Acres.</i>	
Hawaiian.....	270	14,746.90	\$57,701.91
American.....	126	9,833.62	52,218.11
Portuguese.....	121	5,876.67	36,458.09
British.....	10	725.90	4,308.70
German.....	21	4,150.85	9,743.36
Norwegian.....	4	227.28	2,935.30
Russian.....	29	1,811.75	13,603.25
Japanese.....	2	131.23	514.00
Chinese.....	1	15.50	85.65
Total.....	584	37,519.70	177,568.97

Cash freehold, Part VII, land act 1895.

Nationality.	Number.	Area.	Value.
		<i>Acres.</i>	
Hawaiian.....	18	386.38	\$1,606.16
American.....	5	148.75	1,265.55
Portuguese.....	7	336.10	1,546.80
Chinese.....	1	16.46	41.15
Total.....	31	887.69	4,459.66

SUMMARY OF ABOVE.

Systems.	Total number of hold-ings.	Total area.	Total value.
		<i>Acres.</i>	
Homesteads, 1884, 1886, 1892.....	531	8,522.07	\$62,218.24
Special agreement on time payment, land act 1895.....	270	18,479.94	136,336.64
Certificate of occupation, Part VI, land act 1895 ^a	184	2,176.40	.....
Right of purchase lease, Part VII, land act 1895.....	584	37,519.70	177,568.97
Cash freeholds, Part VII, land act 1895.....	31	887.69	4,459.66
Grand total.....	1,600	67,585.80	380,583.51

^a No appraisements are made under this system. Rights are inalienable.

AGRICULTURE.

The following exemption from taxes was enacted by the legislature and approved April 23, 1903:

For the next five years all property, real and personal, actually in use for the production of sisal fiber, castor oil, vanilla extract, Hawaiian starch, pineapples, and manioca starch (Kasawa) shall be exempt from taxation of any kind.

The influence of this exemption upon the production of the exempted classes will undoubtedly be very stimulating.

The following is a list of such plants of value, not including timber trees or plants raised for flowers, as experience has demonstrated to be productive in the Territory. Another list names those that may be profitably cultivated as shown by the fact that they have become staple products; still another gives those that are in the experimental stage, and a fourth those whose cultivation is likely to be profitable in the Territory in the future. This list is by no means complete, but approximately covers the ground.

PRODUCTIVE.

Sugar cane.	Cauliflower.	Guava.	Muskmelon.
Coffee.	Celery.	Peach.	Watermelon.
Rice.	Pepper.	Mango.	Cocoanut.
Maize.	Radish.	Avocado.	Date.
Wheat.	Onion.	Ohia.	Lauhala.
Oats.	Garlic.	Apple.	Sisal.
Barley.	Irish potato.	Cherimoya.	Ramie.
Bean.	Sweet potato.	Papaya.	Hemp banana.
Squash.	Taro.	Fig.	Cotton.
Cucumber.	Yam.	Grape.	Castor oil.
Tomato.	Pia.	Orange.	Vanilla bean.
Beet.	Cassava.	Lime.	Cacao.
Lettuce.	Peanut.	Lemon.	Tobacco.
Carrot.	Breadfruit.	Poha.	Rubber.
Turnip.	Banana.	Blackberry.	Loulu.
Cabbage.	Pineapple.	Raspberry.	

PROFITABLE.

Sugar cane.	Turnip.	Peanut.	Lime.
Coffee.	Lettuce.	Breadfruit.	Poha.
Rice.	Radish.	Banana.	Muskmelon.
Maize.	Cabbage.	Pineapple.	Watermelon.
Bean.	Pepper.	Guava.	Cocoanut.
Squash.	Onion.	Avocado.	Sisal.
Cucumber.	Irish potato.	Papaya.	Castor oil.
Tomato.	Sweet potato.	Fig.	
Beet.	Taro.	Grape.	
Carrot.	Cassava.	Orange.	

PROSPECTIVELY PROFITABLE.

Cauliflower.	Peach.	Lemon.	Cacao.
Celery.	Mango.	Hemp banana.	Tobacco.
Pia.	Cherimoya.	Vanilla bean.	Rubber.

EXPERIMENTAL.

Tobacco.	Vanilla bean.	Rubber.
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The farmer has to contend with expensive transportation and competition from the mainland in products locally consumed. Conditions will improve in these particulars as the farming class increases and is

able to combine for marketing produce. Goods that are in general demand in the world's market, such as canned pineapples, castor oil, and fiber, offer greater inducements to the Hawaiian farmer than the products mainly consumed locally, though the market for the latter class is a fair one.

COFFEE.

Low prices have discouraged enterprise in the production of coffee, many fields being left uncultivated and crops left ungathered. There are, however, planters who continue cultivation and harvest their crops, hoping for a rise in prices and also possible tariff protection by the Federal Government. The Louisson Brothers, who are conducting a plantation of 200 acres in the district of Hamakua, island of Hawaii, are among these. Their trees are 7 years old and under. Through the courtesy of Mr. A. L. Louisson I am able to furnish the following information from their experience.

Their land was covered with a forest jungle when they began operations. The subsoil is open and the surface is rich with accumulated humus of a long period of forest conditions. Many forest trees have been left standing, singly and in masses, for shade and wind-breaks. Clearing such land can be performed at \$25 an acre. The coffee trees are planted 8 feet apart on the triangular system, which allows 760 to the acre. They are topped at 6 or 7 feet as a rule, though some are allowed as an experiment to grow at will. If the fields are free of weeds to begin with, one laborer can take care of 10 acres. Three kinds of coffee are cultivated—Hawaiian, Java, and Guatemala. The two latter grow more vigorously and are earlier in bearing by about a year than the Hawaiian. There is no noticeable difference in the quality of the respective products. The Java and Guatemala are preferred for future planting. The obtainable average yield on this plantation from mature trees is estimated at 1,000 pounds to the acre. Wind is the great enemy of the coffee tree in Hamakua, and Mr. Louisson is very definitely in favor of growing trees as wind-breaks and also for shade, favors the *Grevillia robusta* (silk oak) and a variety of the inga, probably the inga laurina, a leguminous tree used largely for this purpose in Colombia and Venezuela with favorable results.

The cost of production of 2,000 pounds of coffee in the parchment grown on this plantation is as follows:

Cultivation	\$30
Picking and conveying to pulping mill	70
Pulping and drying	30
	<hr/>
	130
Carting to landing	4
Charges at landing	2
Freight to port of shipment (Hilo)	4
Milling at port of shipment	10
Bags for clean product	2
	<hr/>
Total	152

In milling 2,000 pounds of coffee there is a loss of $18\frac{1}{2}$ per cent, or 370 pounds, which is the weight of the parchment removed, the remainder of clean coffee, 1,630 pounds, having cost ready for shipment \$152, or $9\frac{1}{2}$ cents a pound. Freight to San Francisco, \$5 a ton; brokerage and commission charges, $3\frac{1}{2}$ to 5 per cent on sales; warehouse charges at 3 cents a bag per month; marine insurance, and fire insurance add

about $1\frac{1}{4}$ cents a pound, bringing up the cost to 10.58 cents per pound when sold. Should fertilizing be necessary the cost of production would be increased to such an extent that the business would be unprofitable at present prices.

With these figures it is clear that a moderate tariff on imported coffee would not only be of a great benefit to Hawaii, but may be regarded as essential in order to place the industry upon a prosperous footing and to promote the cultivation of the available lands of Hawaii in this product. Tariff protection of home enterprises is the established policy of the United States. When coffee was removed from the list of dutiable articles none was produced in the United States. Now Hawaii and Porto Rico, not to speak of the Philippines, both coffee-producing countries, have been made a part of the American territory, and as such should be recognized in the national policy of protection. In 1892 the United States imported 640,210,788 pounds of coffee, worth \$128,041,930, or 20 cents a pound. In 1902 1,091,004,252 pounds were imported, worth \$70,982,155, or $6\frac{1}{2}$ cents a pound. I am not in favor of a bounty on domestic coffee, but would recommend a tariff of 2 or 3 cents a pound on foreign coffee.

A large part of the public lands of the Territory available for the settlement of farmers are suitable for coffee cultivation. A reasonable tariff protection of this product would materially aid the Territory in improving its political future by the development of the class of citizen farmers.

A new variety of coffee tree has originated in the district of Hamakua. It grows about 3 feet high and produces well. It has not been ascertained whether the product differs in quality from that produced by the larger varieties. The possible value of this dwarf variety is in the fact that it would not have to be topped, as is the practice in the cultivation of the larger kinds. There is a growing suspicion among coffee men that the practice of topping is injurious to the tree by gradually diminishing its vitality. This is likely to be the case in that the habit of growth of the coffee tree is by an erect stem, with small slightly ascending lateral branches attached to the stem in groups. The interruption of the accustomed growth of the stem by topping is so violent an interference with the natural habit of the plant that it is likely that injury should be the result. It is a common thing to see in an otherwise healthy field of coffee trees which have been topped a considerable number that are conspicuously deficient in vigor in the upper part of the tree for 2 or 3 feet below the top; the laterals are few in number and deficient in both leaves and fruit. This condition may be, and probably is, the consequence of the removal of the growing top.

Although the dwarf variety mentioned may be deficient in size for profitable cultivation, yet if a plant could be developed from it by cross-fertilization or by mere cultivation which would reach an average height of 6 or 7 feet, it would undoubtedly be a valuable acquisition.

PINEAPPLES.

Through the courtesy of Mr. James D. Dole, now engaged in raising and canning pineapples on the island of Oahu, I am able to offer the following information on the pineapple industry:

There are at present eight considerable plantations in the Territory—one on Hawaii, one on Maui, five in the Wahiawa district on Oahu, and the remaining one near Pearl Harbor on the same island.

These plantations vary in extent from 10 to 100 acres, and from 40,000 to 500,000 plants each. There are now about 400 acres planted in pineapples on the island of Oahu.

None of these plantations have yet come into full bearing, but the production is already so large that the heavy crop, which comes in the summer months, can not be consumed in its fresh state locally (the maximum capacity of the island of Oahu, including Honolulu, being in the neighborhood of 4,000 pines per week), nor can it, with the present uncertain and irregular steamship service, limited cold-storage facilities, and inadequate system for distribution, be successfully disposed of on the Pacific coast. The pineapple planters are therefore dependent upon preservation of their fruit in tin or glass.

Two canneries are now in the field, handling such fruit as can be obtained at prices that will allow a profit for the handling.

It is generally believed that for a white farmer who can buy or lease good pineapple land in the vicinity of a cannery, and who has sufficient capital to purchase a good number of pineapple plants to start with and to carry himself for two or three years, the business furnishes a good opening.

Pineapple land on the island of Oahu is at present renting at from \$5 to \$20 per acre per annum, and pineapple plants of the variety universally planted here, the smooth Cayenne, now sell at from \$15 to \$30 per thousand. These prices fluctuate widely.

From 2,500 to 8,000 plants are set to the acre. Besides the cost of land and plants, the cost of production per acre is about as follows:

Two plowings	\$11
Harrowing, disking, etc	9
Furrowing (\$3 to \$7)	5
Cutting and trimming	7
Gathering, hauling, and distributing plants	4
Cultivation and weeding (eighteen months)	18
Picking and delivering (varies from \$15 to \$30, according to length of haul)	20
Total	74

The foregoing figures may be easily exceeded, especially if any large amount of white labor is employed. They do not include anything for the cost of overseeing the work or for sundries.

The crop takes upward of fourteen months to mature, depending upon the season of planting, the size and condition of the plants, etc., and from 5 to 10 tons of fruit is expected. It is, however, too early in the development of the business to know what average crop can be depended on, and while the Hawaiian canned pineapple has made a fair start on the market, any figures that might be given now of the prices paid in Honolulu for fresh fruit or by the canneries might be worthless and misleading to one figuring on having pineapples to sell two years or more hence. The exportation of fresh pineapples to the Pacific coast deserves more attention than has been given it the past few years.

Successful prosecution of it will call for strong and intelligent handling of the shipments on their arrival in San Francisco or Puget Sound and consignment from all the growers to one central representative rather than to numbers of competing brokers. The exports of fresh pines from the Hawaiian Islands, which reached its maximum in 1896, amounted in 1897 to \$14,160, had fallen in 1900 to \$3,422, and probably amounts at the present time to even less than this amount.

The exports of canned pineapple were as follows:

1897.....	\$348
1898.....	5,816
1899.....	3,849
1900 (the few produced were used locally).....	
1901.....	5,033
1902 (approximately).....	18,000
1903 (approximately).....	23,000

SISAL.

The present high prices for sisal, together with the exemption of property in use for its production, have stimulated the cultivation of this product in the Territory.

I am indebted to the courtesy of Mr. L. E. Pinkham, of Honolulu, for the following report on the sisal market and freight rates as bearing on the question of the profitable production of this fiber here.

While the figures and estimates furnished by Mr. Pinkham are not very encouraging to the Hawaiian producer, they indirectly suggest the importance of working up the Hawaiian product here and shipping the surplus after supplying the home market for cordage, instead of shipping away and paying freight on the raw material. There is already a considerable market for cordage in the Territory. The probable increase of the commercial importance of the port of Honolulu with the development of Pearl Harbor will add to this demand. The prospectus of the Hawaiian Sisal Company calls attention to a cordage factory established a few years ago in Yucatan for working up the raw material produced in that country. This factory, costing over half a million dollars, has been successful financially, and is doing a large business with the United States in furnishing binder twine. Its machinery was mainly from the United States.

Sisal market, New York, subject to 2½ per cent discount for cash.

[Authority: International Hawser Company, largest consumers of sisal.]

Year.	Minimum.		Maximum.	
	Rate per pound.	Rate per ton.	Rate per pound.	Rate per ton.
	<i>Cents.</i>		<i>Cents.</i>	
1892.....	4½	\$85.00	6½	\$132.50
1893.....	3½	72.50	6½	135.00
1894.....	3½	65.00	4½	82.50
1895.....	2½	50.00	4½	85.00
1896.....	2½	55.00	3½	72.50
1897.....	2½	67.50	3½	72.50
1898.....	3½	72.50	11½	225.00
1899.....	6½	122.50	9½	192.50
1900.....	4½	85.00	9½	190.00
1901.....	5½	107.50	9½	197.50
1902.....	7½	155.00	10½	212.50
1903.....	7½	150.00	8½	170.00

Practically all sisal is shipped from Progreso, Yucatan.

Average price at port of export alongside of vessel.

[Authority: United States Statistical Bureau of Agricultural Department.]

Years.	Per ton.	Freight to New York.	Price per ton in New York.
1892 to 1896.....	\$84.15	\$3.85	\$88.00
1897 to 1901.....	108.03	3.85	111.88

The immediate occasion of the advance in price was the Philippine war and the scarcity of manila hemp.

Prices of other cordage fibers at port of export.

[Authority: Agricultural Department, Statistical Bureau.]

	Years.	Per ton.
Manila hemp	1892 to 1896	\$112.88
	1897 to 1901	114.99
Jute.....	1892 to 1896	28.44
	1897 to 1901	31.60

Market prices at New York June 15, 1903.

	Spot.		To arrive.	
	Per pound.	Per ton.	Per pound.	Per ton.
	<i>Cents.</i>		<i>Cents.</i>	
Sisal	8 $\frac{3}{4}$	\$167.50	7 $\frac{7}{8}$	\$157.50
Hemp.....			7 $\frac{7}{8}$	157.50
Jute.....	3 $\frac{3}{4}$	72.50	3 $\frac{1}{2}$	65.00
Bagging jute.....			2 $\frac{1}{2}$	42.50

Sisal is largely used for binder twine in harvesting small grains. In California none is used for this purpose, as the grain cures on the stalk; hence the Pacific coast demand is very limited, the San Francisco market consuming only 1,200 tons, or the product of from 2,000 to 2,400 acres. This limited trade will be competed for by the Hawaiian Islands and Lower California, where cleaning machinery of three times our capacity is now installed, if I am correctly informed.

It is evident from this the Hawaiian-grown sisal will have to seek a general world's market, and New York is the only available one.

Sisal is unprotected by a duty, and particularly with a lower tariff sentiment growing it is very doubtful if any party will dare impose a duty on an article that affects the farmers, especially for an insignificant political entity like Hawaii.

The main factor in raising sisal in Hawaii is the value of land and the enormous disadvantage of reaching a market. Land held at much over the price of grazing land is impossible except in times of unnatural prices, as at present. High prices lead to substitutes. At present "winegrass" binder twine is on the market at 6 $\frac{1}{4}$ cents per pound, against sisal at 11 to 13 cents per pound. Jute is being substituted.

The quotations on jute show how chimerical is the idea of substituting sisal for jute in sugar bags.

FREIGHTS.

Freight rates are based on 40 cubic feet to the weight ton of 2,000 pounds or 2,240 pounds. For convenience we will take 40 cubic feet equals 2,000 pounds. Ordinarily rates are quoted on weight tons. At present sisal measures 128 cubic feet to the weight ton and is subject to a charge of three and one-fifth times the going rate. In other words, if the sugar rate is \$2.50 to San Francisco, the sisal rate would be \$8, or if the sugar rate be \$3 the sisal rate will be \$9.60.

The Hawaiian-American line has made a special rate of \$6 per ton to San Francisco.

On the present basis of 128 cubic feet per ton of sisal at a corresponding rate to the going rate on sugar, i. e., \$9, the Hawaiian-American line would charge \$28.80 per ton on sisal to New York.

If compressed more compactly, sisal might be carried on their three shelter-deck steamers in quantities of not over 500 tons at about \$15 per ton.

For extra insurance and interest we must add at least \$1 per ton, making the cost \$16 per ton from Hawaii tide water to New York, against \$3.85 from Progreso to New York, or at a disadvantage of \$12.15 to Hawaii.

To reach the Chicago market by rail from San Francisco, sisal takes fourth classification, and the fourth-class rate is \$1.90 per hundred pounds, or \$38 per ton. Coconut fiber, heavier than sisal, has a special rate of \$15 per ton. It is doubtful if the railroads would make this rate, as they need west-bound freight to fill empty cars, but not east bound.

Anyway, at \$6 to San Francisco and \$15 to Chicago we must compete with sisal from Progreso at \$3 per ton to Gulf ports and \$3.60 per ton rail freight, time two weeks, or \$6.60 per ton, against \$21, a difference against us of \$14.40 per ton.

It is very unsafe to base enterprises that must stand for long periods on unusual market conditions.

The report of the United States Agricultural Department for the years 1892 to 1896 is the safest basis on which to estimate.

Average value of sisal per ton at Progreso	\$84.15
Add freight to New York	3.85
Average value in New York	88.00
Deduct freight, Honolulu to New York	19.20
	68.80
Deduct interest and insurance	1.00
	67.80
Deduct local freights or inter-island charges, etc	5.00
Net per ton to the grower at landing	62.80

As the sisal fiber shipped to San Francisco from Hawaii is manufactured there into cordage, etc., it may be that the market for our fiber on the coast is a better one than Mr. Pinkham's estimate.

The following information in relation to the production and marketing of sisal fiber I have taken from the report of Mr. B. F. Dillingham on the "Cost of the production of sisal fiber" to the Hawaiian Fiber Company, Limited. This report covers the whole history of the work of the company, a period of four years and two and one-half months, and is the only experiment in producing and selling the raw material which has so far been carried through in the Territory.

Cost of planting and cultivating per acre for four years and two and one-half months is, labor \$26.77, and other expenses \$17.57, making a total of \$44.34.

This company expects to harvest about nine crops from one planting, beginning in the fourth year, taking off three crops every two years. Besides the expenses of harvesting, it does not estimate any further cost for cultivating after the plants are mature, though in other localities where there is a greater rainfall some subsequent weeding would undoubtedly be necessary. In relation to this item I notice by the report that the \$42 in the table below for "harvesting, cleaning, and baling" includes

the weeding of the plants from which the leaves are taken, though the cost of such weeding is not given.

The report estimates a yield of 3,000 pounds of fiber per acre during each two years, an annual yield of 1,500 pounds, or 1,000 pounds from each cutting. The first cutting was below this estimate, being an average per acre of 743.59 pounds.

The next cutting being the first cutting of a new field of 185 acres, to have been made in July, is estimated at 90 tons of fiber or 973 pounds per acre.

Cost per ton of fiber delivered at San Francisco.

Cultivation	\$9.86
Harvesting, cleaning, and baling	42.00
Team, etc	7.99
Fuel and machine oil	14.90
Rent of land	9.75
Freight and insurance	13.60
Total	98.10

The report estimates a probable reduction of the cost per ton to \$74 upon the following table:

Cultivation	\$9.86
Harvesting, cleaning, and baling	35.00
Team, etc	5.00
Fuel and machine oil	5.00
Rent of land	6.30
Freight and insurance	10.00
Taxes and incidentals	2.84
Total	74.00

As there are no local taxes on the property used in the production of sisal the new item of taxes must refer to taxes payable on the product. The reduction of the cost per ton is probably a very practical matter, as new enterprises are usually more expensive in their inception than later when those carrying them become better acquainted with the work. It would seem that the first item of \$9.86 for cultivation might be materially reduced, as the details of this item reported include such charges as promotion and legal expense.

With the cost reduced to \$74 a ton, Mr. Pinkham's table of prices for the past twelve years, above quoted, shows six years out of the twelve when sisal production here would have been profitable at the minimum prices quoted, and ten years at the maximum prices. At the present cost of \$98.10 a ton there are four years out of the twelve when the business would have been profitable at the minimum prices, and eight at the maximum.

This company is constantly increasing its area of cultivation, which now includes 847 acres, and it expects to add 500 additional acres during this year, 1903.

A new company for producing sisal and other crops, which calls itself the Hawaiian Sisal Company, Limited, has recently issued a prospectus. It proposes a capital of \$250,000, in shares of \$10, and plans to cultivate lands on the windward side of the island of Oahu, where it claims to have control of 12,700 acres which it will plant in sisal at the rate of over 3,000 acres a year until nearly the whole tract is under cultivation.

Besides sisal, the company plans to cultivate a variety of crops, including other fiber plants and tobacco, castor-oil beans, cassava, and pineapples.

The soil in the locality mentioned for this enterprise is well suited to the cultivation of sisal, castor-oil beans, pineapples, cassava, and

probably the other plants named. The land is well furnished with water from perennial streams and enjoys an abundant rainfall.

Sisal cultivation is being taken up in several of the other islands of the Territory, particularly at Mana on Kauai, at Haiku on Mani, and on Molokai.

SUGAR.

A dangerous enemy to the sugar-cane plant, popularly known as the "leaf-hopper," has appeared in recent years in the Territory. Where it is present in large numbers it materially affects the productiveness of the plant to the extent of a ton of sugar to the acre, as estimated by some planters; others estimate the probable damage to be even greater. This insect, known to science as *Perkinsiella saccharicida*, has several local enemies. Others will be sought for in other parts of the world, especially in the sugar districts of Australia.

FARMERS' INSTITUTE.

This organization, dating from early in 1902, is prospering and appears to be influential in promoting an interest in agriculture. Its meetings are well attended, and are noted for the interesting papers read and the discussions carried on.

At a meeting to be held in October papers on the "Development of the fruit industry in Hawaii" and "Recent work in agricultural chemistry" will be read and discussed, and an illustrated talk on "Insects injurious and beneficial to the farmer" will be given.

The legislature of this year has appropriated a small sum to assist this body in the expense of its publications.

This increased demand for plants may be credited to the growing interest shown by the sugar-plantation companies and others in the promotion of forests upon such of their lands as at present are not available for the planting of cane or other agricultural crops.

In the past year there has been distributed from the nursery 18,808 plants purported to have been used for forest planting, consisting of the following varieties: Ironwood, or Australian beef-wood (*Casuarina equisetifolia*), stands at the head of the list as being the most desirable for almost all localities. Following this comes the *Eucalyptus robusta*, *E. globulus*, *E. citriodora*, and the silk oak (*Grevillea robusta*).

Stock taken June 30 gives a total of 44,325 plants ready for distribution. This number embraces about 131 species.

Mr. Koebele, while absent on his recent trip to Mexico, obtained and forwarded 58 kinds of seeds and plants. Out of this number about 28 are at present growing.

The nursery has carried on experiments with hops, the young plants having been sent from San Francisco, and were transplanted February 9. These plants made a good start, but were soon attacked by the Japanese beetle, and the growth very much retarded. There were two varieties of rooted-grape cuttings, Nicaragua and Martha, sent from the Agricultural Department at Washington, D. C. The cuttings were planted according to directions given on the packages. They have not started very well, but the indications are that they will improve.

In the latter part of May the seeds of two species of California red-woods were planted, the *Sequoia gigantea* and *Sequoia sempervirens*. The seeds were slow in germinating, and the plants have made but little

growth. Seeds of the bull pine (*Pinus ponderosa*), the *Pinus maritimus*, and the stone pine (*Pinus pinea*) have been planted with varied results, germination having been unsatisfactory.

Through the kindness of Mr. Knudsen, of Kauai, the nursery secured a few seeds of the teak tree (*Tectona grandis*), the well-known timber tree of the East Indies. From these seeds we have about 18 healthy plants which will be ready for distribution. The seed of the parent tree was brought here by Doctor Hillebrand in 1865, and was planted on the island of Kauai.

We have carried on a series of experiments in the use of insecticides, and have met with varied success. Among the washes that have been tried, we find that the best results are obtained from the use of resin soap and kerosene emulsion. However, the most satisfactory method of destroying insect life on plants is by fumigation with hydrocyanic-acid gas. In the 16 or 20 experiments tried up to June 30 with a large variety of plants, including the maidenhair fern, we have not a failure to record.

Mr. William S. Hall, chief of the division of forest extension, Bureau of Forestry, is now in the Territory, having been detailed by the Bureau to investigate the condition of the Hawaiian forests and consider measures necessary for their protection and development. Mr. Hall, with members of the Territorial commission of agriculture, and others acquainted with localities visited, has carefully inspected the forests of the islands of Oahu, Molokai, Maui, and Hawaii, and will shortly take up the investigation of the forests of the island of Kauai.

Although it is as yet too early to expect his report on this subject, it is understood that he has arrived at the following conclusions, i. e., that the Territorial commission of agriculture and forestry should largely expend the available appropriations at its disposal for the fencing of forests and the destruction of animals injurious to forest growth, and that recommendation be made to the Bureau of Forestry for an expert forester to take charge of the work of introducing and experimenting with varieties of trees new to the Territory and to supervise such forestry work as is being carried on both by the government and private parties.

From his observations so far, Mr. Hall is of the opinion that in the Hawaiian Islands forests have a favorable influence on the rainfall, and that an important feature of forestry work here will be the determination of location and extent of areas to be forested or kept in forest for the maintenance and development of meteorological conditions favorable to agriculture. It is his opinion that the local enemies to trees are insects and the grazing of live stock in the woods; to this may be added forest fires.

FORESTRY.

NUUANU VALLEY.

The enterprise of reforesting this locality has been both difficult and interesting. This valley runs back from Honolulu 5 or 6 miles, reaching an elevation of the valley bottom of 1,200 feet. Its width varies from 1 to 2 miles. The lower part of the valley is occupied with residences, the upper third being the field of this enterprise. The rainfall of this part is very considerable, averaging 128.88 inches per annum for the eleven years from 1890 to 1900, both inclusive.

At the head of the valley is a gap in the main mountain chain, through which into the valley the wind rushes with great force, making the cultivation of trees very difficult near this gap.

This work was begun five or six years ago, the planting having been begun at this windy part of the valley.

The forester, Mr. David Haughs, reports that only four kinds of trees out of over thirty tried have succeeded in this exposed part, one of the successful trees being the *Eucalyptus robusta*. In other and more sheltered places the enterprise has been prosperous. The trees are first raised in seed boxes and then transplanted into leaf pots made of the leaves of the ti plant, *Cordyline terminalis*, and when from 12 to 18 inches high they are planted out, pot and all.

During the year ending June 30, 1903, the following number and varieties of trees have been planted out:

In exposed places:

4,500 *Acacia melanoxylon*.
5,000 *Casuarina equisetifolia*.

6,500 *Eucalyptus robusta*.
6,000 *Grevillea robusta*.

In small gulches and sheltered places:

500 *Acacia koa*.
1,000 *Aleritus moluccana* (Kukui).
1,500 *Catalpa kaempferi*.
500 *Maba sandwicensis* (Lama).
1,500 *Myoporum chrysophylla* (Naee).

250 *Ochrosia sandwicensis* (Hoolei).
250 *Sophora chrysophylla* (Mamani).
2,500 *Syncarpia laurifolia* (turpentine tree).

Mr. C. J. Austin, gardener of the government nursery, reports the following about his work:

The distribution of plants has shown a marked advance over that of the previous year in point of numbers, notwithstanding the fact that the nursery has been closed for the last three months of this period on account of being infected with insect and fungous blights.

The number of plants distributed during the fiscal year has reached the total of 44,196, which is an advance of 11,855 over the distribution for the year ending June 30, 1902.

FERTILIZERS.

Two companies in Honolulu manufacture and sell some 35,000 tons of fertilizer per annum, at about \$45 a ton, or \$1,500,000 in the aggregate. The materials from which this fertilizer is manufactured come mainly from other parts of the world. Several thousand tons of guano are brought annually from Laysan Island, in the Hawaiian group. Nitrate of soda, sulphate of ammonia, sulphate of potash, muriate of potash, double manure salts, kainit, superphosphate, and double superphosphate are imported mainly from Europe; dried blood, tankage, fish guano, superphosphates, and Florida phosphates are brought from the mainland. A small quantity of material is obtained at Honolulu.

The whole of this product is consumed in the agricultural enterprises of the Territory.

LABOR.

This subject presents difficult questions. Among mechanics there is some development of unions for controlling the skilled-labor market, and especially shutting out aliens. Unskilled labor is performed mainly by Hawaiians, Portuguese, Japanese, and Chinese. Many Hawaiians and Portuguese are skilled mechanics. The Japanese and

Chinese are competing in this field and are formidable on the ground of their lower wages rather than the quality of their mechanical performance, which falls behind that of the Anglo-Saxon as regards work not especially oriental.

I have asked the president of the Builders' and Trades Exchange of Honolulu, Mr. A. Gartley, for assistance in the consideration of this inquiry, and he has, with the cooperation of other members of the exchange, furnished me with a thoughtful contribution, from which I offer the following:

Now that the Territory has been placed under American institutions, it is imperative that those institutions should be maintained by American citizens.

The problem of building up a large body of intelligent and substantial citizens in this Territory comparable to the great classes in the States who hold the controlling power of the ballot is a difficult and complicated one, and presents not only political, but social and racial conditions which do not exist elsewhere.

The Territory is isolated, the cost of living is generally higher, there is no large contiguous territory to regulate the supply and demand for labor, and the opportunities of the American mechanic are limited, while the opportunities of an unskilled laborer are not at all satisfactory. This makes the field for employment extremely narrow.

Competition of the Oriental is the main complication, however. The Oriental survives by a lower standard of living and on a correspondingly lower rate of wage. He is extremely industrious and finds favor in the eyes of many employers through this industry. In the more skillful trades he is a close imitator, but his competition at the present time is limited, and it is a question if he has the intellectual equipment necessary to fully understand the principles of the crafts which he undertakes. The Caucasian has acquired these by inheritance and by many generations of congenial association. In all skilled labor the Oriental ceases to become an important factor as a competitor when he demands for himself and his family an American standard of society and livelihood.

The fact remains that the Oriental alien is and must be an overwhelming economic factor in this Territory. Practically no substitute has been found for his labor in the one industry upon which this Territory depends. There is no competition from citizen labor for the Oriental in field work on the plantations. No other adequate industry has been found to which citizen labor can turn.

Without a substantial increase in white immigration the Hawaiian-born Oriental may produce serious complications in the control of affairs, and the embarrassing situation of having American institutions, instituted by Americans, placed in the hands of Orientals may occur.

There is being created in the Territory of Hawaii a marked sentiment toward the correction of errors which have crept into the labor conditions in the past.

The people of the Territory of Hawaii must encourage and increase its intellectual and patriotic citizenship for the successful maintenance of popular government.

Both the Federal and the Territorial governments are working out agricultural problems which, it is believed, will give us a substantial agricultural population of independent farmers.

The Territorial authorities were convinced that the patronage of the Territory and its political subdivisions should be confined to its citizens and those eligible to become such, and, further, that all contracts with the government should be executed by such citizens only. The recent legislature passed a law to that effect. The law also prescribes that the hours of labor should be fixed, and that eight hours' actual work should be considered a day's labor, and that mere attendance should not be considered or countenanced.

The Territorial government has gone to the limit of its constitutional authority in protecting the citizen in regard to labor. In view of the large contemplated Federal improvements in this Territory, it would seem the unquestionable duty of the Federal Government to sustain its citizens, equally with the Territorial government, by an enactment of Congress or Executive authority through the Departments, stipulating that citizens and those eligible to citizenship only shall be employed on Federal work in the Territory of Hawaii, whether directly or indirectly employed.

The combined action of the Territorial and Federal governments would have a very profound and wholesome influence on private sentiment and practice and encourage an American spirit of loyalty, a desirable immigration, and lay a broader, deeper, and more patriotic foundation to enlightened citizenship.

SECOND GENERAL ELECTION.

The registration of voters by representative districts was as follows:

Island of Hawaii:	
First representative district	1,548
Second representative district	1,451
Islands of Maui, Molokai, and Lanai:	
Third representative district	2,125
Island of Oahu:	
Fourth representative district	3,403
Fifth representative district	3,159
Islands of Kauai and Niihau:	
Sixth representative district	1,038
Total	12,724

According to the inspectors' returns, the following votes were cast in the several representative districts, respectively:

First	1,478
Second	1,379
Third	2,017
Fourth	3,130
Fifth	2,813
Sixth	986
Total	11,803

The vote for Delegate to Congress by representative districts was as follows:

Candidates.	Total votes.	First district.	Second district.	Third district.	Fourth district.	Fifth district.	Sixth district.
Jonah Kuhio Kalaniana'ole, Republican	6,628	869	830	969	2,002	1,352	606
Robert W. Wilcox, Home Ruler,	4,698	562	485	944	1,022	1,350	335

Of the 7 senators to be elected by the general election of November 4, 1902, there were elected 6 Republican senators and 1 Democratic senator.

Of the 30 representatives to be elected, there were elected 20 Republican representatives, 9 Home Rule representatives, and 1 independent representative.

THE LEGISLATURE.

The senate was convened in special session November 20, 1902, to consider questions raised by the misconduct of certain executive officers of high position, which matters were disposed of according to full reports on the subject heretofore forwarded to your Department.

The senate also at this session acted upon a number of executive appointments and nominations submitted to it by me.

The expenses of this session were \$4,028.70.

The regular session of the legislature for 1903 met according to law on Wednesday, February 18, and sat sixty days, passing 88 bills and 6 joint resolutions that were approved. Much important legislation was enacted, prominent in which is the county act, embracing 92 chapters and 510 sections, and covering 140 printed pages; an act to provide for the encouragement and protection of agriculture, horticulture, and forestry; an act providing for the compilation of the statute laws of

the Territory; an act establishing the Torrens system of registration of land titles; an act allowing appeals, exceptions, writs of error, or other proceedings for review of judgments for contempt on questions of law, and recognizing the right of review on habeas corpus, as recently permitted; legislation relating to the supreme and circuit courts, to criminal practice and procedure, and to the jurisdiction of district magistrates, consisting mainly of amendments to existing laws necessary or desirable partly on general principles and partly on account of the changed political status.

Appropriations made at this session aggregated \$1,027,084.55, of which \$155,546.70 represents the Chinese fund, which was made a government realization and appropriated for the payment of those interested.

At this session the senate initiated the practice of separate appropriations for the expenses of the senate and house, respectively, for the reason, as stated in the report of a special committee of the senate—which report was adopted by that body—that “heretofore it has been the custom to appropriate money to defray the expenses of the legislature in gross—that is, one sum to pay the expenses of both of its branches. By so doing it has almost been impossible for the public to know how much money has been spent by each branch.” Under this arrangement the senate expended \$19,586.23 and the house \$39,795.15, without including the cost of publishing its journal.

The legislature failing to pass appropriation bills in the regular session for current expenses of the government and meeting its legal obligations, it was immediately convened in extra session on the 30th of April, according to the requirement of section 54 of the organic act, for the consideration of such matters. The extra session sat sixty days, passing 17 appropriation bills and a bill amending an appropriation act of the regular session. One of such bills appropriated \$2,460,470.75 out of moneys to be received under the provisions of a loan act passed at the regular session. The appropriations passed to be paid out of the current revenues aggregated \$5,004,544.51.

The expenses of the senate at this session were \$7,584.18, not including the cost of publishing the journal, which was provided for by the regular session. The expenses of the house in the extra session were \$12,986.20, not including cost of publishing journal, which cost for the house journals of both sessions had reached the sum of \$4,659.48 on September 30, 1903.

It is apparent from these figures, together with those of the expense account of the legislative sessions of 1901, as compared with the legislative expenses of former years, that the two first legislatures of the Territory have wasted the public funds by expenditures for their own expenses far beyond the necessities of the case.

Appropriations for legislative expenses from 1870 to 1903.

UNDER THE MONARCHY.

Session of—		Session of—	
1870.....	\$15,000.00	1884.....	\$40,000.00
1872.....	15,000.00	1886.....	50,000.00
1874.....	16,362.15	1887 (special).....	10,000.00
1876.....	21,500.00	1888.....	25,000.00
1878.....	16,500.00	1890.....	35,000.00
1880.....	20,000.00	1892 (lasting seven or	
1882.....		eight months).....	42,000.00

UNDER THE REPUBLIC OF HAWAII.

Session of—		Session of—	
1895 (special)	\$15,000.00	1898 (actual expenses,	
1896	26,300.00	\$28,562.14)	\$35,000.00

UNDER THE TERRITORY OF HAWAII.

Sessions of 1901 (actual ex-		Sessions of 1903 (actual ex-	
penses, \$94,654.94)	\$94,666.00	penses, \$84,611.24)	\$87,471.30

The extra sessions held in 1901 and 1903 afford no justification for these large expenditures, as the work of the two sessions of these years covers the same ground as the work of the regular sessions in former years, which were sometimes protracted to periods of from five to eight months. The two sessions of 1901, costing the Territory \$94,654.94, enacted but 27 bills which became laws, besides several joint resolutions.

The senate in 1903 was economically managed, its expenses, including the cost of publishing its journal, being slightly over one-half the expenses of the house, without including the cost of printing its journal, for which \$7,000 was appropriated.

There is no valid reason why the expenses of the house should be greater than those of the senate, except the slight increase required for stationery, stamps, etc., for its larger membership. The work required of the senate is greater than that required by the house through its duties of passing on executive appointments and nominations.

Under this showing some check upon the expenditures of the Territorial legislature appears to be called for. I would recommend that such expenses should be paid only through the auditor's warrants on the treasury, with authority in the auditor to refuse warrants for charges for services of persons employed by the senate or house or for bills for materials until satisfied that such charges are reasonable for the work done or the materials furnished.

The legislature of 1901 and the lower branch of the legislature of 1903 have withheld from the secretary of the Territory their accounts of such expenses and the vouchers pertaining thereto.

THE COUNTY ACT.

On the 22d of April, 1903, "An act providing for the organization and government of counties and districts and the management and control of public works and public institutions therein" was approved. On the same day I sent a message to the legislature, of which the following is a copy, recommending certain amendments to the said act:

I have approved the county bill "providing for the organization and government of counties and districts and the management and control of public works and public institutions therein."

There are, however, some features of the law which are, in my opinion, objectionable, and which should, for the sake of the clear understanding of such law by the public and its successful application to the objects intended, and for removing as far as possible all legal complications from the administration of public affairs under its provisions, be removed by amendment.

These objections are as follows:

Section 476 provides that "all property in the hands of any road authorities within the Territory on the 4th day of January, A. D. 1904, shall become the property of the county in which the same is located."

Section 477 provides, referring to the transfer of jail property to counties, that "all property so transferred shall be the property of the county."

Section 268, division 13, provides that "all fees or costs * * * arising from the sale or lease of property by this or any law of the Territory placed under the control of such county" "shall be payable into the treasury of the county and used for paying county expenses."

As the greater part of the property which will be turned over by the Territorial government to the counties upon their organization will be public property which was transferred by the Republic of Hawaii to the United States under the joint resolution of annexation, and by the United States placed in charge of the government of the Territory, to be cared for and maintained by it for its own use "until otherwise provided by Congress, or taken for the uses and purposes of the United States" (section 91, organic act), the above provisions making such property the property of the counties, to be sold or leased by them, is an attempt to amend section 91 of the organic act, and also section 73, neither of which can be amended except by Congress.

The provisions referred to are unnecessary for the due administration of county government, as section 482 provides that it is "the intention of this act that in all cases where by this act any county officer or board is charged with the performance of any duties heretofore performed by Territorial officials the use of all property heretofore used by such Territorial officials, for the discharge of such duties shall be transferred to such county officer or board."

Chapter 69, relating to the transfer of Territorial waterworks to the counties where such waterworks are situated, is of doubtful legality, as being inconsistent with section 91 of the organic act above referred to, for the following reason: Although under the provision of the organic act (section 56) authorizing the legislature to create counties and town and city municipalities * * * and provide for the government thereof, such public property belonging to the United States but held by the Territorial government, which is obviously necessary for the internal administration of such subordinate governments, may be turned over to such governments for such purpose, the legislature has no power to go further, and the Territorial government may not, under the responsibility imposed upon it by section 97 and section 73, surrender such property as is not necessary for the internal administration of such subordinate governments.

It can not be reasonably argued that the conduct of waterworks is essential to the administration of county or municipal governments. It is a common status in many cities on the mainland that the water used by the inhabitants for domestic purposes is furnished by private companies.

The same reasoning applies to the proposed transfer of the apparatus and equipment used by the Territorial government in lighting streets and public buildings, as provided in chapter 70.

Section 171 provides that "the duties required by the provisions of chapter 19 of the civil laws of 1897, to be performed by the commissioner of boundaries, shall be performed by the county surveyor of the county in which the lands in question are situate."

Section 172 provides that the fees to be paid such commissioner of boundaries shall be paid into the county treasury.

These sections attempt to amend section 73 of the organic act, which provides that the laws of Hawaii relating to the settlement of boundaries, except as changed by such act, "shall continue in force until Congress shall otherwise provide."

Section 384 provides that the Territorial board of public institutions shall provide for the care, maintenance, and employment of all inmates confined in any penal "institutions in the Territory."

This provision conflicts with the twenty-second division of section 22, which gives county boards of supervisors jurisdiction and power to provide for the working of prisoners confined in county jails under conviction of misdemeanor; and also with division 6 of section 90, which provides that the county sheriff shall "take charge of and keep the county jail and prisoners therein."

Section 483 provides that "immediately after the passage of this act it shall be the duty of the Territorial board of public institutions by this act provided for to organize in the manner required herein."

As other provisions of the act refer to the 4th of January, 1904, as the time when such board shall begin to exercise its powers, the provision of section 483 must contain a mistake as to the time for its organization, which should be January 4, 1904.

There is some vagueness in the act as to the status of the superintendent of public works after the installation of county governments. I would recommend definite legislation making him the executive officer of the Territorial board of public institutions.

In view of the foregoing suggestions, I recommend immediate legislation amending the county act in accordance therewith.

A bill carrying out a portion of these recommendations was passed by the senate but failed in the house.

A more careful reading of the act discovers other defective provisions. A Territorial board of public institutions is created in chapter 64, to be composed of the governor, secretary, treasurer, auditor, superintendent of public instruction, and attorney-general of the Territory. This chapter departs from county matters and provides for the management of certain Territorial institutions, naming the capitol and judiciary buildings, charitable, reformatory, and penal institutions established and supported by the Territory, harbors, wharves, matters of pilotage and towing, with the sweeping clause that "the board shall have power to direct the general management of all Territorial institutions." These provisions would, if carried out, withdraw the management of the two reform schools from the commissioners of public instruction of the insane asylum, and the leper settlement at Kalawao from the board of health, of the penitentiary from the attorney-general, of the harbors from the United States, and of the wharves from the superintendent of public works.

Section 483 of the county act required that immediately after the passage of the act, the Territorial board of public institutions should organize, and sections 484 and 485 required the board as soon as organized, to take control of all matters relating to harbors, wharves, pilots, and towage, and of all property used in connection therewith, and to assume the control, management, and maintenance of the insane asylum and the executive and judiciary buildings.

The board organized on the 1st of May, and on the 4th of May notified the superintendent of public works that the board had assumed the control, management, and maintenance of the harbors, wharves, pilots, and towage, and requested him to deliver up the control and to furnish the board with an inventory of all the property thereof, and a list of all the employees connected therewith. On the next day, May 5, the secretary of the board received a letter from the superintendent of public works declining to accede to this request on the grounds that by virtue of his office he was charged with the control and management of the property and the work in question, and had no power to surrender such control and management; that the board had no legal existence and therefore no right to assume such control and management as claimed, that that part of the county act purporting to establish a board of Territorial institutions was illegal in that it was in contravention of section 45 of the organic act, which requires that each law shall embrace but one subject which shall be expressed in its title; that the whole act was illegal for the same reason, in that it contains more than one subject of legislation, to wit, section 267 providing for Territorial revenues, section 269 providing for Territorial charges, sections 381 to 391 creating a board of public institutions, section 407 appropriating all existing waterworks and systems, sections 415 and 416 appropriating all property used by the Territory in lighting streets and public buildings, section 417 appropriating all public markets, sections 476 to 482 appropriating and transferring property belonging to the Territorial government to the counties, sections 483 to 487 providing for the organization of the board of public institutions, and chapter 19 making appropriations of Territorial funds for the support of counties; that the legislature is without authority to modify or change the form of the Territorial government as established by the

organic act, and that the board sought to be created by the county act, is illegal in that the power of appointment of members of boards of a public character is vested in the governor by section 80 of the organic act.

The board then instructed the attorney-general to bring legal proceedings against the superintendent of public works to compel him to conform to the provisions of the county act bearing on the question, and to the demand of the board. Such proceedings were begun in the circuit court in the form of an application for a writ of mandamus to the superintendent of public works. The case was heard and judgment given for defendant on the ground that "all the sections of the county act which relate to the board of public institutions are repugnant to section 80 of the organic act and therefore void; and that they are not so intimately connected with other parts of said county act as to invalidate the latter, but that on the contrary the rest of the said county act is severable and can stand without the invalid portions." An appeal was taken from this decision to the supreme court, and the case is still pending in that court.

Section 80 of the organic act referred to by the defendant and the court, provides among other things that the governor shall nominate and, by and with the advice and consent of the senate, appoint the members of all boards of a public character that may be created by law, and may make such appointments when the senate is not in session by granting commissions which shall, unless such appointments are confirmed, expire at the end of the next session of the senate.

The provisions of the county act appropriating certain property, under the present control of the government of the Territory, raises some embarrassing questions. The greater part of this property is covered by the provisions of section 91 of the organic act, which places its control and management in the government of the Territory of Hawaii, until otherwise provided for by Congress, or taken for the uses and purposes of the United States. This enactment suggests the question whether these provisions, transferring such property from the control of the government of the Territory to the subordinate governments created by the legislature, require the approval of Congress.

These provisions transferring public property to the counties were evidently intended by the legislature as grants of ownership or title. Section 477 of the county act referring to the transfer of jails and property used in connection therewith, says, "all property so transferred shall be the property of the county and subject to the control of the board of supervisors of such county." A similar provision appears in section 476 in relation to roads and bridges. Section 22, division 6, authorizes county supervisors to sell at public auction any property belonging to the county not required for public use. Jail property is mainly real estate, a large part of the public waterworks, of the fire department property, of the public electric-lighting plant for Honolulu, and of the public markets are also real estate. Such provisions for transfer of public landed property being inconsistent with section 73 of the organic act which continues in force Hawaiian land laws until Congress shall change them would seem to require for their validity the approval of Congress.

Section 171 purports to transfer the duties and authority of the commissioners of boundaries to the surveyors of the respective counties. As the laws providing for the boundary commissioners are a part of

the Hawaiian land laws continued in force by section 73 of the organic act, this provision must also be invalid unless approved by Congress.

It would appear from these references to the organic act that the transfer of such real estate as is necessary to the administration of county affairs should have been a transfer of the use only in the nature of a trust.

JUDICIARY.

As this department has not hitherto been included in the governor's reports, I have obtained from Chief Justice Frear the following statement, which contains some comparative statistics covering the work of the department for several years past:

The judiciary department consists of the supreme court with a chief justice and two associate justices, five circuit courts with eight circuit judges, and twenty-eight district courts with thirty-two district magistrates.

There are two classes of attorneys—those admitted to practice in all the courts and those admitted to practice in the district courts only. Of the former there are about ninety-five in practice.

The supreme court and each of the circuit courts, other than the first circuit court, has a well-selected library. The supreme court library, which is used also by the first circuit court, contains about 7,000 volumes. There is appropriated for this \$750 a year and for each of the circuit court libraries \$500 a year.

During the five years that have elapsed since the annexation of these islands to the United States many difficulties have been experienced, owing to doubts as to the validity of a number of Hawaiian statutes relating to jurisdiction and procedure in view of various provisions of the Federal Constitution, and, since the enactment of the organic act, owing to the repeal, expressly or by implication, of many provisions in the local statutes. These difficulties have now disappeared for the most part, both because of the conclusion which the Federal Supreme Court reached in the Mankichi case and because of the enactment of many important statutes relating to civil and criminal jurisdiction and procedure at the recent session of the Territorial legislature.

The work of the courts has, as a rule, been kept up to date, although the number of cases has increased in many of the courts. An exception to this statement must be made in the case of the first circuit court, in which the most of the more important cases are tried in the first instance. That court has been unable to clear its calendar for many years, but, now that a third judge has been appointed to that court and its terms have been lengthened and other provisions have been made to facilitate its work there is much reason to believe that its calendar of over 400 cases will be disposed of in addition to new cases in the course of a few years.

There is a growing sentiment among the members of the bar that the number of the supreme court justices should be increased to five. There are many reasons which seem to make this advisable, among which may be mentioned the rapidly increasing work of that court.

The statistics of the judicial work of the courts are made up for the calendar years. The following will give some idea of the number and character of the cases, both civil and criminal, and the nationality of those convicted in criminal cases:

	1899-1900.	1901-2.	Decrease.	Increase.
Total civil cases.....	7, 196	5, 056	2, 140	.....
Total criminal cases.....	18, 849	21, 752	.....	2, 903
Total cases.....	26, 045	26, 808	.....	763

Supreme, circuit, and district courts.

	1899-1900.	1901-2.
Supreme court.....	136	220
Circuit courts.....	2, 388	3, 198
District courts.....	23, 272	22, 996
Naturalizations.....	249	394
Total cases.....	26, 045	26, 808

CIVIL CASES, ALL COURTS.

The total number of civil cases for the years 1901-2 was 5,056, a decrease of 2,140 from the number (7,196) for the preceding two years. About one-half of this decrease is due to the abolition of the contract-labor laws. Admiralty and bankruptcy cases also, which, however, were comparatively few in number, now go to the United States district court.

CRIMINAL CASES, ALL COURTS.

The total number of arrests during the years 1901 and 1902 was 20,752, an increase of 2,093 over the number (18,849) for the preceding two years. The total number of convictions was 16,198, an increase of 2,143 over the number (14,055) for the preceding two years.

Nationality of convicted.

	1898-99.	1900.	1901-2.	Population, 1900.	Percentage for 1901-2, by nation- ality.
Chinese	3,940	1,919	3,302	25,767	0.128
Japanese	1,932	1,480	4,716	61,111	.077
Portuguese	572	398	963	15,675	.061
Hawaiians	3,294	1,808	3,845	37,918	.101
Others	1,359	1,664	3,372	13,530	.240
Total	11,097	7,269	16,198	154,001	.105

DRUNKENNESS.

	1896-97.	1898-99.	1900.	1901-2.
Chinese	19	10	6	9
Japanese	160	134	115	363
Portuguese	86	92	105	201
Hawaiians	1,009	1,053	794	1,439
Others	588	789	1,163	1,763
Total convictions	1,862	2,078	2,183	3,775
Total arrests	2,008	2,192	2,281	3,950

LIQUOR SELLING AND DISTILLING.

	1896-97.	1898-99.	1900.	1901-2.
Arrests	623	461	205	518
Convictions	375	258	116	317

GAMBLING.

	1896-97.	1898-99.	1900.	1901-2.
Chinese	1,577	2,096	945	2,241
Japanese	971	844	538	2,201
Portuguese	11	18	23	69
Hawaiians	258	429	220	470
Others	44	32	19	116
Total convictions	2,861	3,419	1,745	5,097
Total arrests	4,146	4,358	2,060	6,209

OFFENSES AGAINST CHASTITY.

Of adultery, fornication, incest, polygamy, rape, seduction, and sodomy, the cases were as follows:

	1896-97.	1898-99.	1900.	1901-2.
Arrests	593	414	207	736
Convictions	397	267	138	452

OFFENSES AGAINST PROPERTY.

Of larceny, robbery, burglary, embezzlement, felonious branding, extortion, forgery, counterfeiting, gross cheat, and receiving stolen goods the cases were as follows:

	1896-97.	1898-99.	1900.	1901-2.
Arrests	945	979	531	1,128
Convictions	505	444	243	566

OFFENSES AGAINST THE PEACE.

Of affrays, riots, assaults, and assaults and batteries of all kinds, the cases were as follows:

	2,092	2,461	1,231	3,096
Arrests	2,092	2,461	1,231	3,096
Convictions	1,208	1,475	668	1,900

HOMICIDES.

The cases of manslaughter were as follows:

	16	13	9	12
Arrests	16	13	9	12
Convictions	4	8	6	5

The cases of murder were as follows:

	42	7	6	35
Arrests	42	7	6	35
Convictions	7	4	3	11

MISCELLANEOUS.

	5,290	5,189	3,528	6,068
Arrests	5,290	5,189	3,528	6,068
Convictions	3,136	3,144	2,167	4,294

SUMMARY OF ARRESTS.

	2,008	2,192	2,281	3,950
Drunkenness	2,008	2,192	2,281	3,950
Liquor selling and distilling	623	461	205	518
Gambling	4,146	4,358	2,060	6,209
Offenses against chastity	593	414	207	736
Offenses against property	945	979	531	1,128
Offenses against the peace	2,092	2,461	1,231	3,096
Homicides	58	20	15	47
Miscellaneous	5,290	5,189	3,528	6,068
Total	15,755	16,074	10,058	21,752

SUMMARY OF CONVICTIONS.

	1,862	2,078	2,183	3,775
Drunkenness	1,862	2,078	2,183	3,775
Liquor selling and distilling	375	258	116	317
Gambling	2,861	3,419	1,745	5,097
Offenses against chastity	397	267	138	432
Offenses against property	505	444	243	566
Offenses against the peace	1,208	1,475	668	1,900
Homicides	11	12	9	16
Miscellaneous	3,136	3,144	2,167	4,294
Total	10,355	11,097	7,269	15,999

DEPARTMENT OF THE ATTORNEY-GENERAL.

Mr. Edmund P. Dole, who had been attorney-general from the inception of the Territorial government, resigned the position February 1, 1903, and was succeeded by Mr. Lorrin Andrews. Mr. Dole, in his report for the first half of the fiscal year, gives the following description of the office of attorney-general of the Territory in its present status:

The attorney-general's department, being substantially constituted as it was before annexation, is an anomaly in American government. Under our law the attorney-general has the duties and responsibilities of a State or Territorial attorney-general; of all county attorneys in a State or Territory; of corporation counsel in all the cities of a State or Territory; of a State or Territorial chief of police; of the approval of all contracts for prison supplies and to a great extent of prison management; of membership in the Territorial board of health, in which all the sanitary functions of the Territory are centralized, and which is confronted with sanitary problems such as exist in no other Territory of the United States; of passing upon every bill incurred in his department, and, by usage, of membership of the governor's council, an office which in many States is not connected with any other. The discharge of the foregoing duties is made exceptionally burdensome and expensive by the delays and cost of traveling from island to island, by the fact that six languages are in daily use in the courts, and by the fact that the Territory is a great landlord and interested in divers kinds of business with which other States and Territories have no connection.

Mr. Dole further says, referring to the effect of recent political changes:

Changed conditions and the passing of one national sovereignty into another have given rise to innumerable questions, many of them without precedents in the law books. During the two and one-half years that I have been attorney-general I have written 341 legal opinions at the request of the governor, the heads of departments, bureaus, and other officials.

Mr. Andrews reports that between his accession to the office, February 1, 1903, and June 30 the work of the department has been very heavy, with large criminal calendars on the island of Oahu at the February and May terms of court, as well as terms held on the islands of Maui, Hawaii, and Kauai. In relation to the criminal work of the department, reference is made to the accompanying report of the high sheriff. In addition thereto, between February 1 and June 30 the department rendered to members of the legislature, committees thereof, and to the heads of executive departments 156 written opinions, besides disposing of a number of minor questions through oral consultations, and also presented and argued 19 cases before the supreme court, representing the Territory of Hawaii, and have begun or defended 12 civil actions in the circuit court in behalf of the Territory.

Immediately upon assuming office Mr. Andrews deputized Mr. Dole, the former attorney-general, to present the case of the Territory of Hawaii *v.* Mankichi to the United States Supreme Court in Washington, D. C., the resulting decision being in favor of the Territory of Hawaii and going to the settlement of many and vexed questions of the so-called transition period, at a great saving of expense to the Territory and the prevention of a general jail delivery of desperate characters, against some of whom the evidence had disappeared.

Of the 315 officials and employees in the department at the beginning of the fiscal year, 228 were Hawaiians, the remaining 87 being mostly of American birth or descent.

The installation of county government next January will relieve this department of the duty of attending to criminal prosecutions in the district and circuit courts. The county attorneys are made deputies of the attorney-general, who may remove them for cause shown to the satisfaction of the justices of the supreme court.

The statistics hereto attached show the work done by this department throughout the Territory during said year.

The total arrests throughout the Territory are less by 953 than during the year ending June 30, 1902.

The decrease in drunkenness has been very marked, the total number of arrests for this offense being 318 less than during the preceding year, and the preceding year showing a decrease of 728 as compared with the year ending June 30, 1901, showing conclusively, I believe, that drunkenness is decidedly on the decrease.

But few crimes of a serious nature have occurred during the past year.

Prosecutions and convictions for vagrancy have kept the jail filled with that class of people who, without any legitimate means of support, have been largely responsible for the petty thieving occurring in Honolulu during the past year.

Number of arrests made throughout the Territory of Hawaii and disposition of the same in the district courts, and amount of fines and costs imposed and paid, for year ending June 30, 1903.

Islands.	Arrests.	Convictions.	Discharges.	Fines.	Costs.	Bails forfeited.	Fines and costs paid.	Total amount imposed.
Oahu.....	5,197	3,695	1,502	\$38,536.50	\$4,514.20	\$7,554.00	\$18,614.50	\$43,050.70
Hawaii.....	2,568	1,903	665	10,517.00	1,499.80	8,716.50	4,658.85	12,016.80
Maui and Molokai.....	1,486	1,013	473	7,371.50	395.70	3,562.00	3,010.50	7,767.20
Kauai.....	716	514	202	2,036.00	343.50	3,198.50	1,680.90	2,379.50
Total.....	9,967	7,125	2,842	58,461.00	6,753.20	23,030.50	27,964.75	65,214.20

Number of arrests made throughout the Territory of Hawaii and disposition of same in the district courts, for year ending June 30, 1903.

NATIONALITY AND SEX.

Islands.	Total arrests.	Sex.		Nationality.				
		Male.	Female.	Hawaiians.	English.	Americans.	German.	French.
Oahu.....	5,197	4,976	221	1,211	71	568	157	9
Hawaii.....	2,568	2,388	180	490	6	88	19	2
Maui and Molokai.....	1,486	1,420	66	411	.....	21	7	.....
Kauai.....	716	682	34	123	4	7	1	.....
Total.....	9,967	9,466	501	2,235	81	684	184	11

Islands.	Nationality.							Discharged.	Convicted.
	Portuguese.	Chinese.	Japanese.	Porto Rican.	South Sea Islanders.	Spanish.	Other.		
Oahu.....	308	1,529	945	187	1	24	187	1,502	3,695
Hawaii.....	232	358	1,127	211	.....	.....	35	665	1,903
Maui and Molokai.....	41	306	535	153	3	.....	9	473	1,013
Kauai.....	19	107	338	115	.....	.....	2	202	514
Total.....	600	2,300	2,945	666	4	24	233	2,842	7,125

Number of arrests made throughout the Territory of Hawaii, etc.—Continued.

GAMBLING.

Islands.	Total arrests.	Sex.		Nationality.						
		Male.	Female.	Hawai-ians.	Ameri-cans.	Portu-guese.	Chi-nese.	Japa-nese.	Porto Ricans.	Others.
Oahu	1,631	1,627	4	137	27	21	1,129	302	3	12
Hawaii	647	637	10	18	.....	13	226	372	17	1
Maui and Molokai	613	613	.....	55	2	1	221	302	31	1
Kauai	247	244	3	17	.....	.....	42	162	26	.....
Total	3,138	3,121	17	227	29	35	1,618	1,138	77	14

Islands.	Dis-charged.	Con-victed.	Imposed.		Bail for-feited.	Fines and costs paid.	Total amount imposed.
			Fines.	Costs.			
Oahu	645	986	\$7,825.00	\$633.40	\$2,291.00	\$3,695.65	\$8,458.40
Hawaii	74	573	2,267.00	178.00	2,918.00	537.35	2,445.00
Maui and Molokai	143	470	2,468.00	11.50	2,340.00	639.50	2,479.50
Kauai	26	221	380.00	39.00	1,654.00	336.00	419.00
Total	888	2,250	12,940.00	861.90	9,203.00	5,208.50	13,801.90

CASES OF SELLING SPIRITUOUS LIQUOR WITHOUT A LICENSE.

Islands.	Total arrests.	Sex.		Nationality.						
		Male.	Female.	Hawai-ians.	Ameri-cans.	Portu-guese.	Chi-nese.	Japa-nese.	Porto Ricans.	Others.
Oahu	83	73	10	11	3	18	23	21	2	5
Hawaii	58	45	13	2	2	1	25	28	.....	.....
Maui and Molokai	40	38	2	3	3	1	16	12	4	1
Kauai	12	12	.....	.....	1	.....	6	5	.....	.....
Total	193	168	25	16	9	20	70	66	6	6

Islands.	Dis-charged.	Con-victed.	Imposed.		Bail for-feited.	Fines and costs paid.	Total amount imposed.
			Fines.	Costs.			
Oahu	24	59	\$7,875.00	\$79.10	\$300.00	\$1,743.60	\$7,954.10
Hawaii	19	39	3,695.00	128.00	575.00	1,443.80	3,823.00
Maui and Molokai	16	24	2,400.00	30.15	200.00	408.40	2,430.15
Kauai	5	7	400.00	11.70	300.00	208.30	411.70
Total	64	129	14,370.00	248.95	1,375.00	3,804.10	14,618.95

DRUNKENNESS.

Islands.	Total arrests.	Sex.		Nationality.						
		Male.	Female.	Hawai-ians.	Ameri-cans.	Portu-guese.	Chi-nese.	Japa-nese.	Porto Ricans.	Others.
Oahu	1,163	1,144	19	439	307	47	2	86	11	271
Hawaii	286	277	9	135	30	43	1	47	15	15
Maui and Molokai	108	106	2	63	5	6	.....	19	11	4
Kauai	25	24	1	13	1	.....	.....	5	3	3
Total	1,582	1,551	31	650	343	96	3	157	40	293

Islands.	Dis-charged.	Con-victed.	Imposed.		Bail for-feited.	Fines and costs paid.	Total amount imposed.
			Fines.	Costs.			
Oahu	19	1,144	\$2,450.50	\$982.60	\$943.00	\$2,498.60	\$3,433.10
Hawaii	50	236	395.00	124.95	797.00	243.70	519.95
Maui and Molokai	4	104	210.00	38.10	143.00	204.50	248.10
Kauai	2	23	36.00	17.00	44.00	32.00	53.00
Total	75	1,507	3,091.50	1,162.65	1,927.00	2,988.80	4,254.15

MILITARY.

REPORT OF J. W. JONES, COLONEL FIRST REGIMENT NATIONAL GUARD OF HAWAII,
FOR THE YEAR ENDING JUNE 30, 1903.

ORGANIZATION.

The First Regiment consists of nine companies, a hospital corps, and band. Seven companies (A, B, C, E, F, G, and H) are located at Honolulu, D at Hilo, Hawaii, and I at Wailuku, Maui. The whole strength of the regiment on June 30, 1903, was 23 officers and 581 enlisted men; total, 604.

EFFICIENCY.

After the passage of the militia law by the United States Congress in January, 1903, the legislature of the Territory of Hawaii, in June, 1903, passed a new militia law, the laws relating to the militia of the Territory of Hawaii were codified, and new regulations issued based on the regulations for the Army of the United States.

There has practically been a reorganization of the National Guard of Hawaii since the passage of the new militia law and a steady endeavor on the part of the officers to fit themselves to perform the duties incumbent on them thereunder.

There have been appropriations made by the Territorial legislature for new armories and for the equipment and necessary current expenses of the National Guard, under which a wide range of instruction may be had, with a consequent better state of efficiency and preparedness for actual field service, and the arms, equipment, and property may be properly cared for.

The interest shown by Maj. John McClellan, commanding officer of the artillery district of Honolulu, and his officers, and the assistance rendered and instruction given by them, has done much to advance the efficiency of the First Regiment. Too much can not be said in commendation of the painstaking care and tireless energy shown by First Lieut. Harry W. Newton.

DRILLS.

In regimental, battalion, and company drills, parades, practice marches, etc., the work of the last year has done much to raise the standard of efficiency of the command, and the changes in the militia laws passed at the last session of the legislature, it is expected, will be of great benefit to the regiment.

The number of company drills, meetings for company instruction and business, and battalion and regimental drills in which the various companies participated is as follows:

Company.	Regimental drills.	Battalion drills.	Meetings for business and instruction.	Company drills.	Total drills and meetings.	Average membership.	Possible attendance.	Actual attendance.	Percentage.
A.....	7	2	4	36	49	43	2,429	1,546	64
B.....	7	4	2	36	49	56	2,590	1,597	64
C.....	7	4	5	59	75	45	3,097	1,569	52
D.....	0	0	0	37	37	55	3,156	2,343	72
E.....	7	2	7	55	71	58	2,996	1,695	56
F.....	7	2	0	49	58	63	3,115	2,598	83
G.....	7	4	2	34	47	51	2,205	1,333	61
H.....	7	2	1	52	62	46	3,580	2,047	59
I.....	0	0	0	43	43	31	1,897	1,272	70

On February 23, 1903, a competitive drill was participated in by Companies E, F, and G, officers of the United States Army acting as judges, awarding the following percentages: Company F, 99.3 per cent; Company E, 85.6 per cent; Company G, 82.5 per cent. On the same date Company B gave an exhibition artillery drill and Company H gave an exhibition in bayonet exercise and silent manual. Companies A and C furnished a guard detail to keep the parade ground clear for drill purposes.

REPORT OF E. O. PIERCE, CAPTAIN, ARTILLERY CORPS; HARRY W. NEWTON, FIRST LIEUTENANT, ARTILLERY CORPS, AND J. P. ROBINSON, FIRST LIEUTENANT, ARTILLERY CORPS, APPOINTED BY MAJOR MCCLELLAN AS JUDGES ON COMPETITIVE DRILL.

Of the companies competing, the drill of Companies E and G was very good and compares very favorably with similar organizations in the States.

The guns were in only fair condition, many of them not being properly cleaned and cared for.

The equipments of Company F were in excellent condition and its drill superb. We can candidly say we have never seen it equaled.

Of the companies competing, the drill percentages given were as follows: Company F, 99.3; Company E, 85.6; Company G, 82.5.

Of the companies not competing, the artillery drill of Company B was excellent, and especially the manner in which the guns were disabled and the infantry support handled under a supposed condition of an attack.

The bayonet exercise and silent drill of Company H was very good.

Considering the regiment as a whole, it was in very good condition and shows the result of conscientious effort.

The most noticeable errors were the very poor sword manual of the officers, with but few exceptions, and, with the exception of Company F, the manner of forming company.

In conclusion, the judges desire to say that, in their opinion, considering all the disadvantages under which all regiments of the National Guard labor, the exhibition given by the First National Guard of Hawaii on the 23d instant was most creditable.

TARGET PRACTICE.

Rifle firing has been seriously interfered with by the damaged condition of the butts and the lack of funds to properly repair them.

On July 4, 1902, the regiment had target practice with fieldpieces, Driggs-Schroeder, caliber 2.76, and Hotchkiss 2-pounders. The firing was at triangular targets, with a base and rise of 10 feet, built on pontoons anchored at a distance of 1,700 yards from the shore, and was very accurate, the targets being repeatedly hit and one of the pontoons sunk.

The following is a record of the medal shoot held in December, 1902, at a range of 200 yards offhand, 10 rounds per man:

45 or better, gold bar	2
40 or better, silver bar	20
35 or better, bronze bar	39
Total	61
Number of scores shot	180

On September 15, 1902, the companies stationed at Honolulu proceeded to Manoa Valley, arriving there at 8 a. m., and had target practice at silhouettes in volley firing at 100, 300, and 500 yards, the result of which was very satisfactory. The command returned to Honolulu at 6 p. m.

ANNUAL MUSTER AND INSPECTION.

The annual muster and inspection of the command was held on May 30, 1903, Major McClellan, commanding officer artillery district of Honolulu, being the inspector and mustering officer. The attendance was as follows:

	Membership.		Present.		Absent.	
	Officers.	Men.	Officers.	Men.	Officers.	Men.
Field and staff	10	.....	10	.....	.....	.....
Noncommissioned staff .....	.....	7	.....	7	.....	.....
Band .....	.....	26	.....	26	.....	.....
Hospital corps .....	.....	14	.....	6	.....	8
Company A	3	65	3	45	.....	20
Company B	1	65	1	29	.....	36
Company C	2	49	2	18	.....	31
Company E	3	65	2	45	1	20
Company F	2	71	1	65	1	6
Company G	3	62	3	37	.....	25
Company H	3	61	2	51	1	10
Total	27	485	24	329	3	156

The following is a report of inspection of May 30, 1903, from the report of Maj. John McClellan, artillery corps:

"I have the honor to inclose herewith inspection reports, in duplicate, of the field, staff, and band, and of seven companies of the National Guard Regiment of Hawaii. This much of the regiment is stationed in Honolulu, and was reviewed and inspected by me on May 30, instant. The two battalions make a good appearance at review and inspection. The men marched well and officers saluted properly.

"It appeared that the companies are not properly equipped for the field in several particulars, but that a requisition was made by the governor March 31, 1903, for blankets, ponchos, camp colors, tents, and camp equipage, including shelter tents, for the regiment.

"The regiment had none of the United States standard magazine arms, and no return is therefore made for them. It is sufficiently armed, uniformed, and equipped for service in the field in these islands. It has not had any practice marches nor camps of instructions during the year ending June 30, 1903; but had one regimental drill, two battalions April 19, and same day had skirmish drill, sham battle, and volley firing, 308 men.

"On July 4 regiment had field practice, and target with fieldpieces at 1,700 yards range, 337 men. In September the regiment, with 283 officers and men, had skirmish firing at 100, 200, and 500 yards. Some companies had two battalion drills and some had four.

"The regiment has been turned out a number of times for parade and review and claims to have had seven regimental drills.

"The regiment was reviewed by the governor February 21, 1903, and gave an exhibition drill, artillery drill with Hotchkiss guns, and also a competitive infantry drill between three companies, all of which were excellent, witnessed by myself and a board of officers whom I appointed as judges.

"It was inspected once during the year by its colonel.

"This regiment is called an artillery regiment and has the following armament: Eight 8 c.m. Austrian rifled fieldpieces, eight limbers for same, eight caissons for same, three 7 c.m. mountain howitzers, two Griggs-Schroeder fieldpieces, 2.76 caliber, two Hotchkiss fieldpieces, 2-pounders, two Gatling guns, model 1878.

"I would recommend that the Springfield rifle and accompanying equipments be turned in and this regiment be furnished with United States magazine arms and equipments therefor."

The following is a report of Maj. John McClellan, artillery corps, on his inspection of the First Infantry, Hawaii National Guard, on May 30 and June 5, 1903:

"The field and staff presented a good appearance at review and inspection of the regiment.

"*Company D.*—This company made a very creditable showing at review and drill, marching steadily and showing a readiness to learn drill and improve. The captain is a German, who evidently understands something about discipline, and will, if the opportunity affords, make a good company of this one; but he states that, owing to the frequent rains and to the fact that they have no armory, or proper drill shed, at Hilo, he has but few opportunities for much drill or inspection. What is reported as a drill shed, he states, is a hall where they have meetings, but have not room for much drill.

"*Company F.*—This company is extremely well drilled in company drill, and presents a neat and soldierly appearance. This is the best and largest company in the regiment and marches extremely well. Its discipline is shown by its only having six absentees from inspection. This is one of the best drilled companies of National Guard I have ever seen anywhere."

On April 19, 1903, the companies stationed at Honolulu started for Kapiolani Park at 8 a. m., and put in the day in close-order drill, battle formation, with blank ammunition, parade, etc., returning at 6 p. m. on the same day.

ENCAMPMENT.

The following order was issued by the governor, through the adjutant-general, on June 8, 1903:

"The following companies of the National Guard of Hawaii will go into camp on Wednesday morning, June 10, at the hour of 7 o'clock or as soon thereafter as practicable, at Camp McKinley for a period of five days, for the purpose of participating with the regular troops in such maneuvers and instruction as may be prescribed by the commanding officer of the artillery district of Honolulu: Companies A, B, C, E, F, G, and H, stationed at Honolulu, and Company D, now stationed at Hilo."

In pursuance of the foregoing general orders the First Regiment, consisting of the field and staff, noncommissioned staff, hospital corps, band, and Companies A, B, C, E, F, G, and H proceeded to Kapiolani Park, June 10, to take part in the five days'

annual encampment, for the purpose of participating with the regular troops in instructions to be prescribed by the commanding officer of the artillery district of Honolulu.

The command, after reaching the grounds adjacent to Camp McKinley, proceeded to pitch camp under the instructions of First Lieut. H. W. Newton, United States Artillery Corps, who had been assigned as attaché officer to the command by Major McClellan, commanding United States Artillery, district of Honolulu. Guard mount and policing camp followed. After this the usual camp routine was taken up. Instructors in cooking were sent from Camp McKinley, upon whom too much praise for faithful performance of their work can not be bestowed. Company D arrived in camp June 11 at 9.30 p. m.

Daily attendance of the First Regiment, National Guard of Hawaii, during encampment.

	June 10.		June 11.		June 12.		June 13.		June 14.		June 15.		June 16.	
	Officers.	Enlisted men.	Officers.	Enlisted men.	Officers.	Enlisted men.	Officers.	Enlisted men.	Officers.	Enlisted men.	Officers.	Enlisted men.	Officers.	Enlisted men.
Field and staff.....	10	.....	9	.....	10	.....	13	.....	13	.....	.....	.....	.....	.....
Company A.....	3	49	3	49	3	48	3	48	3	48	.....	.....	.....	.....
Company B.....	1	40	1	40	1	36	1	40	1	40	.....	.....	.....	.....
Company C.....	2	35	2	35	2	34	2	35	2	35	.....	.....	.....	.....
Company D.....	.....	.....	.....	.....	3	43	3	43	3	43	3	43	3	43
Company E.....	3	48	3	48	3	48	3	48	3	48	.....	.....	.....	.....
Company F.....	1	65	1	65	1	65	1	65	1	65	.....	.....	.....	.....
Company G.....	3	48	3	48	3	49	3	46	3	46	.....	.....	.....	.....
Company H.....	3	48	3	48	3	47	3	48	3	48	.....	.....	.....	.....
Hospital corps.....	.....	8	.....	8	.....	7	.....	7	.....	7	.....	.....	.....	.....
Noncommissioned staff.....	.....	7	.....	7	.....	8	.....	8	.....	8	.....	.....	.....	.....
Band.....	.....	28	.....	28	.....	28	.....	28	.....	28	.....	.....	.....	.....

Schedule of exercises during encampment.

Date.	Regular troops.	National Guard.
Wednesday, June 10.....	.....	Arriving and making camp; guard mount; establishing sentries; instructions in cooking and kitchen work.
Thursday, June 11.....	Exhibition drill. Shelter-tent pitching by Sixty-seventh.	Inspection of camp 8 a. m.; guard mount; dress parade; instructions in cooking and kitchen work; retreat; arrival of Company D from Hilo, Hawaii, 9.30 p. m.
Friday, June 12.....	Exhibition drill by Sixty-sixth and Sixty-seventh Companies artillery, U. S. Army. Advance guard drill. Shelter-tent pitching.	Company drills; inspection of camp; regimental drill; guard mount; drill of battalions by Major McClellan; parade and review; instructions in cooking and kitchen work; retreat.
Saturday, June 13.....	Formation as part of regiment for review by Major McClellan.	Company drills; inspection of camp; review by Major McClellan, U. S. Army, witnessed by Governor Dole and members of legislature; guard mounting; dress parade; instructions in cooking and kitchen work; retreat.
Sunday, June 14.....	.....	Muster of entire command by Major McClellan, U. S. Army; inspection of camp; instructions in cooking and kitchen work; policing and breaking camp of companies stationed at Honolulu; marching from camp to drill shed; dismissed.
Monday, June 15.....	.....	Guard mount and drill by Company D; muster of company; instructions in cooking and kitchen work.
Tuesday, June 16.....	.....	Instructions in cooking and kitchen work; Company D breaks camp at 9 a. m., marches to steamer, and embarks for Hilo.

List of calls for National Guard of Hawaii while in camp.

Reveille, first call.....	a. m..	6. 15
Reveille.....	do...	6. 25
Assembly.....	do...	6. 30
Mess call, breakfast.....	do...	6. 45
Sick call.....	do...	7. 15
Fatigue call.....	do...	7. 30
Recall from fatigue.....	do...	11. 30
First sergeant's call.....	do...	11. 45
Mess call, dinner.....	m.....	12. 00
Fatigue call.....	p. m..	1. 00
Recall from fatigue.....	do...	4. 30
Mess call, supper.....	do...	5. 30
Guard mounting, first call.....	do...	6. 05
Assembly.....	do...	6. 15
Retreat, immediately after guard mounting.		
Tattoo.....	do...	9. 00
Call to quarters.....	do...	10. 45
Taps.....	do...	11. 00

REPORT OF MAJOR McCLELLAN ON THE ENCAMPMENT OF THE FIRST REGIMENT
NATIONAL GUARD OF HAWAII.

I have the honor to report that the First Regiment National Guard of Hawaii, Col. J. W. Jones commanding, went into camp in Kapiolani Park, near Camp McKinley, June 10, 1903, and that the last company broke camp on June 16, 1903. The camp was a successful one, and in many respects very satisfactory.

The regiment comprised a full field and staff, hospital corps detachment, an excellent band, and 2 battalions, 4 companies each.

First Lieut. Harry W. Newton, coast artillery, was detailed for duty during the encampment and was engaged in instructing men and officers in guard duty, camp duties, and camp cooking. Several cooks and sergeants were detailed to instruct at the company kitchens and did much good work.

Captain Pierce, artillery corps, acted as instructor at battalion drill, formation of a column en route on road, and formation of advance and rear guard.

First Lieutenant Robinson, artillery corps, acted as instructor in use of shelter tents, forming a camp for one company, and carrying and use of soldiers' equipments, making of blanket roll, etc.

I drilled each battalion of the guard.

There was a parade of the 2 battalions of the guard and 1 battalion of regular troops, a regiment of 12 companies, and a review of same, witnessed by the governor and legislature of Hawaii. Parade and review were excellent.

The health of regular troops was good. A large number of guardsmen came up at sick call for slight ailments. Seven men had severe attacks of dengue fever, 1 man was sent to his home sick, and 3 of the fever patients belonging to the Hilo company I sent to the Queen's Hospital, Honolulu, where they are entitled to treatment, and these will be returned to Hilo when able to travel.

The national guard was regularly mustered by myself, and muster and pay rolls will be forwarded.

REPORT OF ACTING COMMISSARY ON TRANSACTIONS DURING ENCAMPMENT.

On June 10, 1903, we went into camp with 346 men entitled to draw rations as follows: Company A, 46 men; Company B, 35 men; Company C, 34 men; Company E, 42 men; Company F, 65 men; Company G, 36 men; Company H, 46 men; band, noncommissioned staff, and hospital corps, 42 men, as per reports made to this department that morning.

This department drew from the United States quartermaster's department at Honolulu on June 10, 1903, 5 complete rations for each of above man, or total of 1,730 rations.

Each succeeding day the strength of the companies was increased, and on June 12 Company D, with 43 men, was to be supplied with commissary stores. On this date (June 12, 1903) this department drew from the United States quartermaster's department at Honolulu five days' rations for each man in Company D (215) and rations

for the extra men who had joined the various companies since June 10, 1903, amounting to 155 rations; thus making the total number of rations drawn from the United States quartermaster's department at Honolulu during the encampment 2,100, distributed as follows:

Company A (215), 49 men for 5 days; Company B (200), 40 men for 5 days; Company C (175), 35 men for 5 days; Company D (215), 43 men for 5 days; Company E (240), 48 men for 5 days; Company F (325), 65 men for 5 days; Company G (245), 49 men for 5 days; Company H (240), 48 men for 5 days; noncommissioned staff, band, etc. (215), 43 men for 5 days, amounting to 1,835 pounds of beef, 474 pounds of bacon, 1,963 pounds of flour, 350 pounds of hard bread, 151 pounds of beans, 105 pounds of rice, 1,624 pounds of potatoes, 466 pounds of onions, 83 cans of fruit, 164 pounds of coffee, 420 pounds of sugar, 83 pounds of salt, 5 pounds of pepper, 83 pounds of soap, 29½ pounds of candles, and 96 boxes of matches.

These rations were all issued and consumed with the exception of the following, which, remaining on hand when Company D broke camp on June 16, were turned over to Lieutenant Newton for Camp McKinley, viz, 117 pounds of potatoes, 12 candles, 5 cans of fruit, ½ pound of pepper, 15 pounds of sugar, 25 pounds of onions, 33 pounds of bacon, 1 pound of rice, 4 pounds of salt, 10 pounds of beans, 10 pounds of coffee, and 3½ pounds of soap.

We also drew from the United States Quartermaster's Department, Honolulu, five days' supply of wood for 3 noncommissioned staff; Company A, 45 men; Company B, 45 men; Company C, 45 men; Company D, 45 men; Company E, 45 men; Company F, 45 men; Company G, 45 men; Company H, 45 men, and Hospital Corps, 7 men, all of which was issued and consumed.

All of the companies purchased provisions and supplies of different kinds from their own funds. The men and company cooks being uninstructed in camp cooking, on the first day or two used a great deal more of their rations than was necessary, but afterwards, being instructed by sergeants from the Regulars, United States Army, from Camp McKinley, they learned how to make the regular ration more than meet requirements.

REPORT OF THE ORDNANCE OFFICER.

The total value of serviceable ordnance in possession of the National Guard of Hawaii on June 30, 1902, as per inventory and estimate, amounted to \$32,224.35, said property consisting of field pieces (exclusive of Austrian battery and munitions for same), small arms (including officers' equipments, etc.), infantry equipments, ammunition assorted, tools, miscellaneous stores, and horse equipments for officers.

The value of ordnance supplies received during the period, July 1, 1902, to December 31, 1902, was \$1,247.29, consisting of—

25,000 caliber .45 cartridges from Frankford Arsenal.....	\$587.50
Small arms from Pasqual & Co	187.04
Small arms from Colt's Manufacturing Company	272.57
Oils, polishes, tools, lumber, etc., local firms.....	200.18

Total.....	1,247.29
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Total to be accounted for December 31, 1902.....	33,471.64
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The total value of ordnance supplies issued to and expended by and property lost by the First Regiment National Guard of Hawaii during the period from June 30, 1902, to December 31, 1902.....	709.20
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Balance to be accounted for January 1, 1903 (see last report)	32,762.44
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The total value of ordnance supplies received, including cost of packing, etc., during the period from January 1, 1903, to June 30, 1903.....	34.61
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Total to be accounted for June 30, 1903.....	32,797.05
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The total value of ordnance supplies issued to and expended by and property lost by the First Regiment National Guard of Hawaii during the period from January 1, 1903, to June 30, 1903.....	369.23
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Balance to be accounted for on July 1, 1903.....	32,427.82
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Itemized statement of expendables issued and property lost as shown above.

Issued:

Cartridges, caliber .45, factory, 22,580	\$530. 63
F. G. powder, 336½ pounds	52. 34
Cannon powder, 25 pounds	5. 53
Percussion primers, 2½, 13,960	15. 36
D. S. primers, 111.	
Lead bullets, caliber .45, 500 grains, 13,980	76. 19
Cartridges, caliber .38, 300	4. 50
8 c. m. powder charges, 60.	
7 c. m. powder charges, 55.	
Friction primers, long, 157.	
Friction primers, short, 606.	
D. S. common shells, 30	132. 30
D. S. time shells, 10	50. 00
Hotchkiss common shells, 48	72. 00
Old service powder charges, 100 pounds.	
18 cloth silhouettes, D.	
18 cloth silhouettes, E.	
18 cloth silhouettes, F.	
18 paper silhouettes, D.	
18 paper silhouettes, E.	
18 paper silhouettes, F.	5. 80
Hardware and sundries amounting to	132. 62
Lost at camp:	
Canteens, 2 .....	. 64
Haversack straps, 1 .....	. 52
Total	1, 078. 43

RECAPITULATION.

Total ordnance property on hand July 1, 1902	\$32, 224. 35
Total ordnance property received during year	1, 281. 90
To be accounted for	33, 506. 25
Expended and lost during year and to be accounted for	1, 078. 43
Total ordnance property on hand July 1, 1903	32, 427. 82

Disposition of ordnance property on hand.

At drill shed in Honolulu, in custody of Companies A, B, C, E, F, G, H, and Hospital Corps	\$7, 435. 91
In custody of Company D in Hilo	1, 070. 68
In custody of Company I in Wailuku	663. 84
In custody of officers, field, staff, line, retired, and D and I and noncommissioned officers, as per inventory attached	1, 366. 01
In First Regiment, National Guard of Hawaii, armory at Honolulu, as per inventory	21, 891. 38
Total	32, 427. 82

REPORT OF QUARTERMASTER DEPARTMENT.

Property on hand July 1, 1902	\$16, 929. 76
Property received from Territory	1, 982. 82
Property received from the United States	406. 80
	19, 319. 38
In possession of companies at drill shed	\$5, 447. 13
In possession of Companies D and I	1, 336. 61
	6, 773. 74
Remaining in possession of department	12, 545. 64

EDUCATION.

I offer the report of Mr. Alatau T. Atkinson, superintendent of public instruction, almost entire.

REPORT OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

It is with much satisfaction that I can report good work in the schools since my last communication, and the prospect of further improvement during the coming year. During the last biennial period the department of education has been much hampered by the lack of funds and the failure of the legislature of 1900-1901 to provide money for school buildings. The department was driven to resort to all kinds of makeshifts in order to carry on the schools, and it was impossible to erect the most necessary of buildings. In spite of these difficulties the cause of education has progressed and the number in school has materially increased.

FINANCIAL.

We commence the new period under better auspices than we did two years ago, and with the floating of the loan the new buildings, of which there is such a crying need, will be erected. The department asked the legislature of 1902-3 for \$280,800 for new buildings, viz, for Oahu, \$153,900; for Hawaii, \$34,800; for Maui, Molokai, and Lanai, \$65,100; and for Kauai, \$27,000. The legislature granted more than was asked for, petitions having come in for schools at certain specified places. There has been granted for Oahu, \$155,400 and a further special sum of \$2,500; for Hawaii, \$41,000 and specific sums additional amounting to \$10,200; for Maui, Molokai, and Lanai, \$85,000; and for Kauai, \$27,000, with a specific appropriation of \$3,500 additional. The total appropriation for buildings, all of which comes from the loan, is \$324,600. If this sum is expended during the next two years the Territory will be wonderfully equipped with accommodations, and the next period should not prove as expensive in this direction. But just as "ships are but boards" according to Shylock, so schoolhouses are but boards, and in our wet climate they rot, even where great care is taken in repairing them, and every legislature will find need for new schoolhouses in some part of the group.

It is well to note how important and how large the administration of the department is, when the funds to be disbursed by it amount during the current biennial period to \$1,188,610.28. Considering the size of the population, the number of isolated places to be provided for, and the expense in keeping up small schools, where the attendance is between 15 and 25 pupils, but which are kept open throughout the whole school year, the showing is a remarkable one.

During the first year of the last biennial period I reported that only \$7,214.20 had been expended upon new buildings out of an appropriation of \$51,500. This had enabled the department only to erect three 1-room schoolhouses and one 2-room schoolhouse.

In the second year of the period the department, on an expenditure of \$25,462.04, erected a school building for the industrial school at Waialeale, island of Oahu, at a cost of \$15,000, including the expense of moving the boys of the old reform school from Honolulu to the new quarters, which are 70 miles distant by rail; also one 2-room schoolhouse, one 3-room schoolhouse, one machine shop for the Lahainaluna School, and three teachers' cottages.

ENROLLMENT.

At the close of the fiscal period the total enrollment in all schools of the Territory was 18,415 pupils, as against 17,518 pupils on June 30, 1902. This shows a gain of 897 pupils during the year. Of these, 10,030 were males and 8,385 were females, the disproportion of sexes among the school population not being so great as among the main population. The enrollment of the public schools was 13,793, against 13,189 in 1902, an increase of 604, and the enrollment of the private schools was 4,622, against 4,329 in 1902, an increase of 293.

It may be further interesting to note, before quitting this section of the subject, that the total school enrollment in 1880 was 7,164; in 1890 it was 10,006; in 1900 it was 15,537, and that at the present writing it is 18,415, a very remarkable advance in the space of three years.

There are in all 203 schools in the Territory, of which 144 are public schools, supported by public money, and 59 are private schools, supported by trust funds, rents,

private contributions, and fees. All public schools, from the normal and high schools to the smallest country school, are free, and are open to all classes of the population, regardless of color or race. In the public schools all the heterogeneous elements of our polyglot population meet upon a plane of equality, and the Asiatic, the American, the Malay, and the European sit side by side and play together in the playground in perfect harmony. It is the school that makes the population kin. The school takes the place of that one touch of nature which, Shakespeare says, makes the whole world kin.

The total number of teachers in the Territory in active employment was 633, of whom 183 were males and 450 females. Of these, 386 were employed in the public schools and 247 were teaching in private schools. This gives an average of 35 pupils to each public school teacher and 18 pupils to every teacher in the private schools. The following table gives the statistics upon which the above statements are based:

	Number of schools.	Teachers.			Pupils.		
		Male.	Female.	Total.	Male.	Female.	Total.
Public schools.....	144	101	285	386	7,590	6,203	13,793
Private schools.....	59	82	165	247	2,440	2,182	4,622
Total.....	203	183	450	633	10,030	8,385	18,415

NATIONALITIES OF PUPILS.

The next table which I lay before you is the table of nationalities. We still continue to divide our school population according to the nationality of the parents for purposes of race statistics, but it must be remembered that, with only a few exceptions, chiefly among the Asiatics, the pupils are by right American citizens. It may be said that at the present time the schools of the Territory are educating over 18,000 pupils who are by birth American citizens, derived from the various races enumerated.

It is in this fact that our justification in educating Chinese and Japanese children lies. They are born here. In course of time they will claim their rights as voters, and that right can not be denied them. It is necessary, therefore, that they should be educated and trained by American methods. Were they not to become citizens and voters I should advise saving the expense of educating them, but as they will be it is a prime necessity to educate them, so that they will vote intelligently. It is the school that makes citizens. During the last year nearly 600,000 Italians, Asiatics, Hungarians, and Russians came to the mainland as immigrants. In a generation the younger portion of these immigrants will have become thoroughly assimilated. They will no longer be Italians, Hungarians, or Russians; they will be Americans, and it is this process we must follow out here—we must make Americans.

The total number of Hawaiians of unmixed blood in school has remained practically stationary. In 1902 there were 4,903, and the present report shows 4,893. This is a decrease of 10 in a year, which means nothing. On the other hand, there has been a considerable increase in the number of part Hawaiians—that is, children whose parentage is partly Hawaiian and partly some other nationality. Last year these pupils were reported at 2,869. This year they number 3,018, and it is evidently only a question of time when the part Hawaiians will equal and then exceed those Hawaiians of unmixed blood. In 1880, when this classification was first made, there were only 955 part Hawaiians in school, in 1890 there were 1,573, in 1900 there were 2,631. There has thus been a steady annual increase. Adding Hawaiians of unmixed blood and part Hawaiians together, we have 7,911 pupils in our schools of Hawaiian parentage of one kind or another.

The Portuguese stand next in order of importance as to the number in our schools. On June 30, 1902, there were 3,809 pupils of this nationality. June 30, 1903, they numbered 4,243—over 400 more in the space of one year. Another year will, in all probability, see the number of Portuguese children in school equal the number of Hawaiian children. In 1880 there were 55 Portuguese children in school, in 1890 there were 1,813, in 1900, 3,809. The increase from decade to decade has been enormous. The statement that numbers of Portuguese are leaving the Territory is certainly not borne out by the school statistics. If they are leaving the Territory, there are enough remaining to swell the census returns.

Chinese appeared in our statistics of 1880 as only numbering 85. Ten years later, in 1890, there were only 262 in the schools; in 1900 there were 1,289; in 1902, June 30, there were 1,395, and at the present writing Chinese in school number 1,554, of whom 1,106 are in the public schools and 448 are in private institutions.

The increase of Japanese has been during a much shorter space of time. This nationality first appears in the school statistics in 1888, when 54 pupils were reported. In 1894, there were only 113, but from that time there has been a steady increase. In 1898 there were 737; in 1900 the thousand mark was overtopped and 1,352 were reported. Last year, on June 30, there were 1,993 Japanese in school, and this year 2,521 was the number given at the same date.

Americans and Europeans other than Portuguese number 1,648. Adding this to the Portuguese pupils, we get a white school population of 5,891—larger than the Hawaiian school population, but not so large as the Hawaiians and part Hawaiians combined. On the other hand, the white school population is larger than the two Asiatic populations combined. The Porto Ricans, though Americans, and of very much mixed blood, it is interesting to chronicle apart. There were 538 of them in school, June 30, 1903.

Nationality of pupils attending school in the Territory of Hawaii.

Nationality.	Public schools.	Private schools.	Total.
Hawaiian	4,090	803	4,893
Part Hawaiian	2,087	931	3,018
American	493	306	799
British	148	69	217
German	138	157	295
Portuguese	2,879	1,364	4,243
Scandinavian	156	38	194
Japanese	2,140	381	2,521
Chinese	1,106	448	1,554
Porto Rican	454	84	538
Other foreigners	102	41	143
Total	13,793	4,622	18,415

TERRITORIAL TEACHERS.

The year ending June 30, 1903, showed 633 teachers to be engaged in education in the Territory, against 609 reported in June 30, 1902. Of these 386 were employed in the public schools and 229 in the private schools. Just as it is our custom to divide our pupils into nationalities according to their parentage, so it is our custom to divide our teachers upon similar lines. The bulk of the teaching force both in public and private schools is of American parentage, the figures being 192 in public schools and 135 in private schools, or 327 altogether. The public schools employ 115 teachers of Hawaiian blood, while the private schools employ but 35. The public schools employ no Chinese or Japanese teachers; the private schools employ 13 of the former and 9 of the latter. Portuguese appear as 21 in the public schools and 11 in the private schools. The number of Portuguese teachers is increasing. Of course these are really American; not Portuguese. Their education has been gained in American schools; they speak, read, and think in English, which is their mother tongue, and they are all American citizens.

Comparative nationality of teachers.

Nationality.	Public schools.	Private schools.	Total.
Hawaiian	56	22	78
Part Hawaiian	59	13	72
American	192	135	327
British	41	16	57
German	5	8	13
Portuguese	21	11	32
Scandinavian	8	7	15
Japanese .....	.....	9	9
Chinese .....	.....	13	13
Other foreigners	4	13	17
Total	386	247	633

It is well to call attention to the fact that we have a regular system of certificates which are gained by examination, a regular set of certified normal teachers, a system of life certificates, and a schedule rate upon which salaries are paid. In this we are on a par with the advanced States in the Union. The following are the rules regulating teachers' examinations and certificates.

TEACHERS' CERTIFICATES.

Examinations of candidates for teachers' certificates will be held at such times and places and shall embrace such subjects as the department may from time to time prescribe. As a result of such examinations certificates will be issued as follows:

Primary grade: For an average of 85 per cent or over, a first-class certificate, good for three years; for an average of 75 per cent or over, a second-class certificate, good for two years; for an average of 65 per cent or over, a third-class certificate, good for one year.

First-class certificates are subject to renewal for the same period for which they were originally issued at the pleasure of the department.

Teachers who have rendered ten years of satisfactory service in the public schools of the Territory under a first-class primary grade certificate with an average of 90 per cent or over will be entitled to first-class primary life certificate.

Grammar grade: For an average of 85 per cent or over, a first-class certificate, good for five years; for an average of 80 per cent or over, a second-class certificate, good for four years; for an average of 75 per cent or over, a third-class certificate, good for three years.

Teachers who have rendered five years of satisfactory service in the public schools of the Territory under a grammar grade certificate with an average of 90 per cent or over, will be entitled to grammar grade life diplomas.

Honorary: To teachers who have rendered not less than fifteen years' satisfactory service in the public schools of the Territory may be granted by the department in special cases, without examination, honorary life certificates of the primary grade.

The following additional rule concerning certificates was adopted February 25, 1903:

Diplomas and certificates of other States and Territories will be received as equivalent to Hawaiian certificates, as follows:

University A. B. degree	Grammar-grade certificate.
Normal diplomas	Grammar-grade certificate.
State or Territorial grammar-grade certificates	Grammar-grade certificate.
County certificates, first class	First-class primary.
State life certificates	Life diplomas.

When granted, time allowance will be according to regular schedule. Hawaiian normal-school certificates are equivalent to first-class certificates with one year of service allowed.

The rules adopted for salaries are as follows:

SCHEDULE OF TEACHERS' SALARIES.

1. This schedule is not to be considered in the nature of a contract between the department and the teachers, but it may be altered or suspended at any time if it be deemed necessary.

2. Schools will be classified and salaries fixed at the beginning of each school year. Satisfactory service only entitles a teacher to raise of salary.

3. Teachers obtaining normal certificates will be allowed for one year's experience. Half the time taught in the United States public schools outside of Hawaii will be allowed for.

4. A teacher promoted to a higher position will begin at the lowest salary of that position, and if his service is satisfactory for one year, all previous experience may be allowed for.

5. Competent teachers in undesirable locations, or where living is unusually expensive, may be paid above the schedule.

6. Teachers of schools with an enrollment under 40 will be classed as assistants—that is, in the matter of pay.

7. The Royal, Kaulani, Kaahumanu, Honolulu Normal, and Hilo Union schools are hereby recognized as of equal class, the principals of which will receive salaries of \$2,400 a year, without regard to length of service.

8. Salaries in the high school proper, as distinguished from the grammar department, are regarded as outside of any schedule.

Salaries of principals, elementary schools.

Enrollment.	First year.	Second year.	Third year.	Fourth year.	Fifth year.	Sixth year.	Eleventh year.	Sixteenth year.	Twenty-first year.
196-300.....	\$1,000	\$1,200					\$1,500		
166-195.....	1,000		\$1,200					\$1,500	
136-165.....	1,000			\$1,200					\$1,500
106-135.....	900	1,000			\$1,200				1,500
76-105.....	720	840	900			\$1,000	1,200		
46-75.....	660		720			840	900		

Salaries of assistants, elementary schools.

	First-class certificate.	Second-class certificate.	Third-class certificate.
First year.....	\$600	\$480	\$360
Third year.....	660	540	360
Sixth year.....	720	600	360
Ninth year.....	780	660	360
Twelfth year.....	840	720	360
Fifteenth year.....	900	720	360

SPECIAL.

Grammar department, high school.

First year.....	\$720
Second year.....	780
Third year.....	840
Fourth year.....	900
Fifth year.....	960
Sixth year.....	1,020
Seventh year.....	1,080
Tenth year.....	1,200

Normal school and practice school.

First year.....	\$900
Second year.....	960
Third year.....	1,020
Fourth year.....	1,080
Fifth year.....	1,200

The question whether teachers' salaries should be paid in ten monthly payments or should be in twelve monthly payments, as now, is one which it is difficult to decide. As a matter of bookkeeping the ten monthly payments would be an advantage to both the auditor's department and the department of education. As to the teachers, it would suit some very well and would not suit others at all. Those of our teachers who have made their homes and who will spend the greater part of their lives here prefer the present system, which assures them of a regular salary every month of the year. Those teachers who are from outside the Territory, who may be regarded as transient, naturally prefer the system of ten monthly payments. Of course at the present time the schools of the Territory are kept open throughout the year. An entire change of the school system would lead to an entire change in the method of payment, and it may be better to retain our present method of payment until the entire change of system takes place.

Of the teachers employed 37 have Hawaiian life certificates, 82 have normal certificates or diplomas, 70 have Hawaiian first-class primary certificates, 24 have Hawaiian second-class certificates, 13 have Hawaiian third-class certificates, 93 have certificates or diplomas from universities, normal schools, or States, and 65 have no certificates. The latter are mostly Hawaiians who are teaching on probation.

DISTRIBUTION OF SCHOOLS.

The largest number of public schools is on the island of Hawaii, of which 56 are public schools, taught by 132 teachers, and 11 are private schools, the total enrollment of the two classes of schools being 5,413. On Oahu there are 34 government

schools, in which are engaged 136 teachers, and 31 private schools, the total enrollment being 7,854. The large number of schools on Hawaii is explained by the number of isolated villages where teachers are in charge of small numbers of children. On Oahu, on the other hand, the schools are concentrated and large and greater economy in the use of teachers can be obtained. Thus 132 teachers are required for 4,556 pupils on the island of Hawaii, while 5,031 children require 136 teachers on the island of Oahu, and this includes the high school and the normal school, together with special teachers in drawing, music, and physical culture.

The chief seat of the private schools is Honolulu, where the headquarters of all the denominational schools are situated, and also where there is opportunity for small advanced schools to be carried on at a profit. The Roman Catholics, the Episcopalians, and the German Lutherans maintain schools, and there are also endowed schools, like the Kamehameha schools for youths of both sexes, which were provided for by the late Chieftess Bernice Pauahi Bishop, and a preparatory annex fitted up and endowed by the Hon. C. R. Bishop, husband of the chieftess. There is Oahu College, also endowed in part by the early chiefs and in part by donations and bequests from private individuals. The private schools outside of Honolulu are almost without exception denominational schools.

Distribution of schools, pupils, and teachers upon the Hawaiian Islands.

PUBLIC SCHOOLS.

Island.	Number of schools.	Teachers.			Pupils.		
		Male.	Female.	Total.	Male.	Female.	Total.
Hawaii	56	41	91	132	2,495	2,061	4,556
Maui and Lanai	30	26	40	66	1,177	1,044	2,221
Molokai	9	4	5	9	142	103	245
Oahu	34	18	118	136	2,799	2,232	5,031
Kauai and Niihau	15	12	31	43	977	763	1,740
Total	144	101	285	386	7,590	6,203	13,793

PRIVATE SCHOOLS.

Hawaii	11	13	23	36	434	423	857
Maui and Lanai	12	7	30	37	355	424	779
Molokai	31	56	108	164	1,569	1,254	2,823
Oahu	5	6	4	10	82	81	163
Kauai and Niihau	59	82	165	247	2,440	2,182	4,622
Total							

AGES OF PUPILS.

The ages of the pupils in school are given in the following table. Attendance at some school is compulsory from the age of 6 to 15. Between those ages we have at the present writing 16,218 pupils in school, as against 15,525 a year ago. We have also 1,081 children under 6 years of age who are attending for the most part kindergarten schools supported by voluntary contributions. It is intended to make a preliminary experiment of kindergarten work in the public schools, and when the new normal school is erected a building will be provided for that purpose. The attendance at such schools is entirely voluntary, and would be so if kindergarten attachments were made to the public schools. The attendance above 15 years of age is also entirely voluntary. The public high school, the normal school, and Lahainaluna provide for those who ask for a more extended education. These divide up some 300 pupils, while the other 214 are scattered among the various schools of the Territory. The private institutions have 582 pupils above school age. These are found in Oahu College, St. Louis College, Kamehameha schools, and similar establishments.

Ages of all pupils in all schools of the Territory of Hawaii.

PUBLIC SCHOOLS.

	Under 6 years.	Six to 8 years.	Eight to 15 years.	Above 15 years.
Boys	169	2, 278	4, 853	290
Girls	108	1, 857	3, 996	242
Total	277	4, 135	8, 849	532

PRIVATE SCHOOLS.

	Under 6 years.	Six to 15 years.	Above 15 years.
Boys	390	1, 674	377
Girls	414	1, 560	207
Total	804	3, 234	584

TOTALS IN PUBLIC AND PRIVATE SCHOOLS.

	Under 6 years.	Six to 15 years.	Above 15 years.
Boys	559	8, 805	667
Girls	522	7, 413	449
Total	1, 081	16, 218	1, 116

The last table which is submitted to you is that dealing with manual work. This branch of education, which is regarded by the department of education as of the highest importance, is being pushed forward with diligence by the inspectors and most of the teachers. There are, however, those who are apathetic in this direction, and who have no idea of anything but old-fashioned mental training, who are incapable themselves of instructing in manual training and who are a dead weight for the more progressive to carry. Such teachers, one-sided men and women, have served the Territory for many years, and it seems hard to dismiss them from their positions. What they are capable of doing they do well, but they are incapable of meeting present educational demands, and the time will come when many of them will have to be replaced. Every teacher in our primary schools should be able to give manual instruction and in course of a few years every teacher will have that facility.

The number of pupils in sewing has been increased from 5,889 to 6,589 during the year. In agriculture we have 5,819 instead of 5,010. Those receiving instruction in lauhala and bamboo work have increased from 565 to 737. Drawing is now given to 10,210, instead of 8,164, as was reported last year. This all shows an advance, and there is every prospect of further advance. As our teachers, trained in our normal school with the direct object of giving instruction to our peculiar population, begin to fill positions throughout the Territory, we shall find manual training taking its proper standing in our school curriculum, and we shall be approaching more and more to modern ideals. Every teacher who passes through our normal school course, whether male or female, has a knowledge of the use of tools, has a knowledge of agriculture and practical gardening, and can sew, draw, and give instruction in tonic sol fa singing.

Number of pupils in sewing, agriculture, manual work, drawing, and tonic sol fa in public schools.

Islands.	Sewing.	Knife work.	Agricul- ture.	Lauhala and bam- boowork.	Mat weaving.	Other manual training.	Drawing.	Singing tonic sol fa.
Hawaii	1, 725	40	1, 561	282	54	331	2, 819	1, 991
Mani and Lanai	930	43	547	149	36	297	1, 496	1, 375
Molokai	72	.....	119	40	18	23	115	181
Oahu	3, 058	102	2, 869	223	183	1, 383	4, 604	4, 060
Kauai and Niihau	804	30	723	43	.....	173	1, 176	1, 112
Total	6, 589	215	5, 819	737	291	2, 207	10, 210	8, 719

INDUSTRIAL SCHOOLS.

During the last six months the department has been able to carry out its plans with regard to industrial schools and of a reformatory character. In this the superintendent has had a keen personal interest for fully twenty years, and it is a pleasure to see fruition of these hopes. The movement in favor of two industrial schools of a reformatory character, one for boys and one for girls, has been steadily kept before the public both by newspaper articles and by reports to the legislature, and in spite of many rebuffs and some failures the two establishments have at length been placed, or nearly placed, upon a satisfactory footing.

HISTORICAL.

The first notice of a reform school is contained in the report of M. Kekuanoa, president of the board of education, in 1866. The legislature in March, 1865, voted an appropriation of \$6,000 for an industrial and reform school. A building costing \$2,200 was erected upon the present site of the girls' industrial school, and a Mr. and Mrs. Hyde, school teachers, were put in charge. After some early vicissitudes the school in 1866 numbered 15 boys and 2 girls.

The report of 1870 shows that the land which had been originally leased was purchased by the board. Miss Mary Parker was in charge of the establishment. There were 49 boys in the school, of whom 46 had been received upon commitment, and 3 were being paid for by parents or guardians. At that time, five years from its commencement, 14 boys had been apprenticed, which at the time the law allowed. It was a questionable system, which deservedly fell into disuse later. The girls' section had been suspended in 1868. In 1872 Miss Parker was still in charge, and had associated with her Mr. and Mrs. Kauhane, the school having grown to 70 pupils. The report of 1874 gives George H. Dole as principal of the school. The numbers had gone down to 56. The instruction was conducted chiefly in Hawaiian. A suggestion of a girls' annex was urged, but there was at the time no prospect of its being instituted. In 1875 Mr. Dole resigned his position and Walter Hill was appointed. Mr. Hill had been principal of Lahaina school. On Mr. Hill's taking charge the number of boys in the school was 47. Under Mr. Hill's administration English was introduced as the basis of study, and some excellent work was done in an agricultural line. Mr. Hill remained in charge till March 15, 1886, when Captain Jackson was put in charge. During the ten years of Mr. Hill's incumbency some excellent work had been done, and there had been real success with the reformation of the boys, many of whom had gone forth into life and become reputable citizens.

With the close of Mr. Hill's administration the reform school fell upon evil times. Captain Jackson was put in charge of the institution with the idea of making it a sort of naval school. The agricultural and mechanical side of the education was neglected and the taro lands, the banana plantation, and the vegetable gardens were sold. All the elder boys were drafted on board of the *Kaimiloa*, a vessel which was fitted out by the Hawaiian government as a man-of-war, and the institution was completely disorganized. From this disorganization the school never recovered till quite recently. Whoever had charge of it was hampered by having no land to cultivate and not having adequate means for carrying on industrial work. The school dwindled down to between 30 and 40 pupils, and the justices seldom sent young boys to the institution. This condition of affairs was by no means the fault of the gentleman in charge, W. G. Needham, but was due entirely to the manner in which the institution had been crippled. Mr. Needham kept the place spotlessly neat, but it was impossible to make a success under the conditions. In 1901 Mr. Needham resigned and the present incumbent, T. H. Gibson, took charge.

The necessity for an enlarged agricultural field for boys who required to be under restraint and were in need of surroundings which would prevent their becoming criminals had been felt for a long time. The necessity for a well-equipped establishment for the care of errant girls had been talked of for fully twenty years. That there had been necessity for this had been plain from the numerous reports on the subject. Thoughtful police magistrates like the late judge Wilcox had urged the importance of such an institution, but it was plain that the original plan of the seventies of having boys and girls of this character in the same school lot was not feasible.

In 1898 Hon. H. E. Cooper, then president of the board of education, proposed a plan by which the old reform school would be removed to Kauai and was in negotiation for a site at Malumalu, near Lihue, where the late Dr. Jared Smith and his sister, Miss Juliette Smith, had established an industrial school, which was sup-

ported by contributions from private individuals. The necessary funds for the purchase of the estate were not voted, probably through inadvertence, and the scheme failed.

In 1899 there was a proposition made to establish the school at Waialeale, upon government land, the lease of which was soon to expire. But this proposition hung fire until 1901, when the lease fell in and the land was deeded over to the department of education. Having acquired the land, the department asked for an appropriation from the legislature for erecting buildings and removing the boys, and also asked for funds to convert the old buildings into suitable quarters for an industrial school for girls. The amounts voted were \$15,000 for the first item and \$10,000 for the second. The first was very inadequate, the second was almost too liberal.

Owing to financial difficulties these appropriations did not become available until the end of the biennial period, but by using some energy the work was completed before the appropriations ran out. The building and a moderate water supply at Waialeale was ready by May of this year, and as soon as the boys were moved down operations were commenced upon the girls' industrial school, and all the building, repairing, and painting required was completed or nearly completed by June 30. Since then the various fittings have been put in place and the institution is now ready for occupancy.

The Waialeale estate, where the boys' industrial school is situated, contains some 700 acres of land on the northern side of the island, about 5 miles from Kahuku and 8 miles from Waialua. It has a coast line of over a mile, and extends back to the mountain ridge. About half a mile from the sea a series of bluffs extend, and the low land between them has been chosen as the site for the school buildings. Above the beach is a fine tract of taro land, some of which is owned in Kuleanas, and a considerable quantity belongs to the estate. There is also a large pond supplied by never-failing springs. The situation of the school will enable the department to carry on agriculture, dairy farming, and fishing, besides giving instruction in carpentering, blacksmithing, the manufacture of poi, and, of course, general school work.

ACCOUNT OF WAIALEALE.

On the 13th of May last the boys of the reformatory school in Honolulu—68 in number—were moved down to the new buildings at Waialeale, the institution to be hereafter known as the Waialeale Industrial School.

Since that date the work accomplished in the different departments has been as follows:

Agricultural.—Four taro patches have been made and planted; a fifth is about ready to plant. A vegetable garden has been made and planted with onions, tomatoes, corn, beans, lettuce, radish, beets, and carrots. This required a great deal of work. For the taro patches the ground had to be cleared of rushes and grass, kuaunas or banks had to be built around each patch, and for this purpose stones and soil had to be transported some distance with wheelbarrows. Now that there are horses and carts the work will progress more rapidly and is less laborious.

There have also been planted 220 banana plants and about 500 trees for wind-breaks and firewood. The trees planted are eucalyptus, *gravillea robusta*, ironwood, kamani, poinciana, tamarind, alligator pear, and mango. Before planting many fruit trees it is necessary to have wind-breaks. A terrace was built, extending 30 feet around the main building, and planted with manienie grass. A considerable area has been cleared of lantana and stones.

Mechanical work by the boys.—For the dining hall 8 tables and 24 benches have been made, 3 safes for the pantry, a table and cupboard for the kitchen, a table and cupboard for the hospital, and 42 desks have been set up and placed in the schoolroom. The following buildings have been erected by the boys: A clothes and store room, 18 by 48 feet, a closet with 10 compartments, 5 by 30 feet, with urinals and latticed screen, a carpenter shop, 20 by 40 feet, and a poi house of corrugated iron with cemented floor, 13 by 15 feet.

A force pump has been set up and connected with the tanks by 1½-inch pipe—580 feet. Pipes have been laid around the terrace. The framework supporting the tanks has been inclosed, the floor cemented, and 14 shower baths put up.

Daily programme.—5 a. m., reveille; 5 to 7 a. m., work; 7 to 7.30 a. m., breakfast; 7.30 to 9.30 a. m., E class schoolroom, A, B, C, D classes work; 9.30 to 11 a. m., C and D classes schoolroom, A, B, and E classes work; 11 to 12 a. m., A and B classes schoolroom, C, D, and E classes work; 12 to 1 p. m., dinner; 1 to 4 p. m., work; 4 to 5 p. m., bathing and play; 5 to 5.30 p. m., supper; 5.30 to 6 p. m., evening work; 6 to 7.30 p. m., study hour.

Saturday is washing, mending, and general cleaning day. It is half holiday.

The boys change work every month. Four boys have charge of the dining hall, two in the kitchen, two in the dormitories, one in the schoolroom, and one in the clothes room.

As to the health of the boys, there has been nothing serious enough to require medical attendance.

The conduct of the boys, on the whole, has improved since the school was moved.

Appended are a few tables showing the nationality of the boys, the offenses for which they have been committed, and their terms of sentence.

The total number on the muster roll at present is 78.

In school	73
In hospital	1
In Oahu jail	3
Escaped	1
Total	78

Nationality:

Hawaiian	37
Part Hawaiian	7
American (colored, 1)	2
Portuguese	15
Chinese	2
Porto Rican	15
Total	78

List of offenses and number committed for each.

Tuancy	18
Vagrancy and homeless	11
Disobedience to parents	15
Common nuisance	1
Trespass	3
Assault and battery	2
Larceny	25
Housebreaking	1
Burglary	2
Total	78

Nationality and offenses.

Offense.	Hawaiian.	Part Hawaiian.	American.	Portuguese.	Chinese.	Porto Rican.	Total.
Tuancy	8	3		3		4	18
Vagrancy	3			2	1	5	11
Disobedience to parents	11	1		3			15
Common nuisance	1						1
Trespass	2				1		3
Assault and battery	1					1	2
Larceny	8	3	2	7		5	25
Housebreaking	1						1
Burglary	2						2
Total	37	7	2	15	2	15	78

Offenses and length of terms.

Offense.	One year.	Two years.	Three years.	Four years.	Five years.	Six years.	Seven years.	Eight years.	During minority.	Total.
Tuancy	3	5	5		1	1		1	2	18
Vagrancy		2	3		1			3	2	11
Disobedience	1	1	8		2				3	15
Common nuisance									1	1
Trespass			3							3
Assault and battery	1	1								2
Larceny	5	3	2	2	1		1	1	10	25
Housebreaking									1	1
Burglary									2	2
Total	10	12	21	2	5	1	1	5	21	78

It will be seen by comparing these tables with last report that larceny has increased from 24 to 32 per cent. The last table shows that there is not much uniformity among committing magistrates with regard to the terms of sentence imposed for the different offenses. Every boy committed to this school should receive the maximum sentence and let the period of his residence here depend upon his conduct. This is the idea of the district magistrate of Honolulu, and the boys sentenced from this court hereafter will be sent here during their minority, their period of detention here to be determined by their fitness for release.

THE GIRLS' INDUSTRIAL SCHOOL.

It is the purpose of the department to make the Girls' Industrial School a place where a thorough training in housework will be acquired. The girls will be taught to cook, understand house cleaning, washing, ironing, sewing, and lace making. There is enough land to employ them in horticulture. Habits of cleanliness, modesty, and self-confidence will be instilled. By this means it is hoped that a class of girls who might otherwise grow up to be vicious and spread moral corruption in many directions may be saved from themselves, and prevented from carrying further ill into the body politic. That there will be many failures the department is prepared to acknowledge, but that much good will accrue it firmly believes. Of course we are just at the inception of this project of an industrial school of a reformatory character for girls. That there should have been such an institution years ago is shown by the constant reference to the matter in the reports, and the many references to it in the public press and by public men. Everything in the power of the department has been done to make the institution efficient, and it will remain for time to tell whether the effort that is being made will be a success or not. That it will eventually be a success there is no doubt, but no one ought to boast himself before putting off his armor.

CONCLUSION.

It is not necessary for this report to enter into the details of the many institutions which are within the jurisdiction of the department of education. There is ever an effort being made to improve, not only the public schools proper, but in every portion of the educational, industrial, and reformatory work which in this Territory appertains to the department of education to supervise, direct, and bring to fruition. The department has to its credit the fact that Ellis Lando, a pupil of the high school, passed his examination for Annapolis and is now enrolled as a naval cadet in that institution. Six pupils of our high school took the university entrance examinations and five passed brilliantly. In a large number of the educational institutions of the mainland there are representatives from Hawaii, and it is with pride that this Territory can say that its young men and women show aptitude, both mentally and physically, and seldom, if ever, sully the escutcheon of the country of their birth.

Financial statement, year ending June 30, 1903.

A recapitulation of the appropriations, with disbursements and balances, to June 30, 1902, gave the following result:

	Appropriated.	Disbursed to June 30, 1902.	Balance on hand July 1, 1902.
Salaries and pay rolls	\$652,862.50	\$317,429.93	\$335,432.57
Current expenses.....	202,525.00	60,123.66	142,401.34
Total	855,387.50	377,553.59	477,833.91

Recapitulation for the year ending June 30, 1903.

	Balance on hand July 1, 1902.	Disbursed.	Unexpended balance July 1, 1903.
Salaries and pay rolls	\$335,432.57	\$328,387.23	\$7,045.34
Current expenses.....	42,585.69	36,746.14	5,839.55
New buildings	99,815.65	25,380.81	74,434.84
Total	477,833.91	390,514.18	87,319.73

In addition to the above there were certain appropriations made by the legislature of 1903 under the head of "Emergency." The following are the appropriations of this kind made for this department, with the expenditure under each, and the balance remaining June 30, 1903.

	Appropriated.	Disbursed.	Balance remaining July 1, 1903.
Stationery and incidentals	\$1,500.00	\$1,488.51	\$11.49
General expenses industrial school	2,400.00	2,389.86	10.14
Kindergarten.....	1,800.00	.....	1,800.00
Schoolhouse, Haiku	1,000.00	939.08	60.92
Total	6,700.00	4,817.45	1,882.55

HEALTH.

PURE FOOD, DRINK, AND MEDICINE.

The legislature at its regular session this year passed an act to provide against the adulteration of foods, drinks, and drugs, which was approved April 28. This act repeals the old pure-food law, and although it is similar to it in many respects several important changes have been made. Among the most important of these is the prohibition of any preservative in milk and the establishment of a standard for milk. This is the same that has been used by the food commissioner and analyst, Mr. Edmund C. Shorey, for the past four years—i. e., total solids, 11.5 per cent, and butter fat, 2.5 per cent.

The inspection of milk offered for sale in Honolulu has been vigorously carried on, with the following results:

	Standard or above.	Below standard.
From milk wagons	943	82
From restaurants	16	9
On private complaints.....	13	7
From dairies	6	.....

During the period 510 tins of canned goods were condemned as unfit for food and destroyed.

The only prosecutions during this period were one for the sale of cocaine without a poison label (the defendant was convicted and fined \$250) and one for adulterated milk, in which the defendant was convicted in the lower court but was acquitted on appeal.

The new law will facilitate prosecutions for selling adulterated milk.

SANITARY INSPECTION OF HONOLULU.

Major and minor nuisances ordered abated.....	26,975
Major and minor nuisances abated.....	24,389
Examinations for restaurant licenses.....	87
Total number of inspections.....	136,491

SANITARY INSPECTION OF HILO.

Major and minor nuisances ordered abated.....	814
Major and minor nuisances abated.....	770
Total number of inspections.....	4,417

INSANE ASYLUM.

This institution is located in the northern suburb of Honolulu. The buildings are old and not fireproof. It is the intention of the government to construct a new and fireproof building in some location not yet selected, but outside of the limits of Honolulu, for which there is an appropriation of loan funds.

	Males.	Females.	Total.
Number of patients July 1, 1902.....	121	34	155
Number of patients admitted in the year ending June 30, 1903.....	50	21	71
Number discharged.....	29	6	35
Number died.....	14	1	15
Number June 30, 1903.....	128	38	166

Nationality of patients January 1, 1903.

	Male.	Female.	Total.		Male.	Female.	Total.
Hawaiian.....	27	17	44	British.....	1	1	2
Chinese.....	37	1	38	Norwegian.....	2		2
Portuguese.....	12	9	21	Polish.....	1		1
Japanese.....	15	1	16	East Indian.....	1		1
German.....	6	1	7	West Indian.....	1		1
American.....	5		5	Filipino.....	1		1
Porto Rican.....	5		5	Central American.....	1		1
Gilbert Islanders.....	2	1	3				
South Sea Islanders.....	2		2	Total.....	119	31	150

LEPROSY.

A supply of good water is furnished the settlement at Kalawao by water pipes. The government conducts a considerable farm at the settlement, including a dairy, by which taro, milk, pork, etc., are produced for the consumption of the inmates. It is the intention to further develop this enterprise and to add the production of beef to the present products of the farm.

Number of patients at the settlement—

June 30, 1902.....	915
June 30, 1903.....	888

Nationality of latter number.

	Males.	Females.	Total.		Males.	Females.	Total.
Hawaiian.....	459	338	797	Japanese.....	5		5
American.....	7	1	8	Porto Rican.....	3		3
British.....	3		3	Chinese.....	40	3	43
German.....	4	2	6	Filipino.....	1		1
French Canadian.....	1		1	Tahitian.....	1		1
Danish.....	1		1	South Sea Islanders.....	3		3
Norwegian.....		1	1				
Swedish.....	1		1	Total.....	541	347	888
Portuguese.....	12	2	14				

Out of 129 persons inspected on suspicion of leprosy during the year to June 30, 1903, 5 were discharged as free from the disease and 124 were found to be lepers. The nationality of the whole number is as follows:

Hawaiians.....	95	Japanese.....	1
Part Hawaiians.....	9	Swedish.....	1
Chinese.....	11	Scotch.....	1
American.....	4	Italian.....	1
Portuguese.....	3		
Porto Rican.....	2	Total.....	129
German.....	1		

Sex.

Males.....	84
Females	45
Total	129

Ages.

Under 10 years.....	9	From 50 to 60 years	8
From 10 to 20 years	39	From 60 to 70 years	9
From 20 to 30 years	31	Over 70 years	1
From 30 to 40 years	19		
From 40 to 50 years	13	Total	129

VITAL STATISTICS.

MARRIAGES.

Honolulu—	
Year ending June 30, 1902	429
Year ending June 30, 1903	376
Territory, not including Honolulu—	
Year ending June 30, 1902	885
Year ending June 30, 1903	620
Territory, including Honolulu—	
Year ending June 30, 1902	1,314
Year ending June 30, 1903	996

BIRTHS.

Honolulu—	
Year ending June 30, 1902	685
Year ending June 30, 1903	609
Territory, not including Honolulu—	
Year ending June 30, 1902	1,661
Year ending June 30, 1903	1,777
Territory, including Honolulu—	
Year ending June 30, 1902	2,346
Year ending June 30, 1903	2,386

DEATHS.

Honolulu, year ending June 30, 1902:	
Males	672
Females	334
	1,006
Honolulu, year ending June 30, 1903:	
Males	591
Females	355
	946
Territory, not including Honolulu, year ending June 30, 1902:	
Males	1,099
Females	642
	1,741
Territory, not including Honolulu, year ending June 30, 1903:	
Males	1,026
Females	609
	1,635
Territory, including Honolulu, year ending June 30, 1902:	
Males	1,771
Females	976
	2,747
Territory, including Honolulu, year ending June 30, 1903:	
Males	1,617
Females	964
	2,581
Annual death rate per 1,000 of population, Honolulu—	
Year ending June 30, 1902	25.59
Year ending June 30, 1903	24.06

Annual death rate per 1,000 of population, Territory, not including Honolulu—	
Year ending June 30, 1902	11.3
Year ending June 30, 1903	10.6
Annual death rate per 1,000 of population, whole Territory—	
Year ending June 30, 1902	17.8
Year ending June 30, 1903	16.76

Causes of death in Honolulu for year ending June 30, 1903.

Febrile	65	Digestive	135
Diarrheal	66	Absorbent and glandular	1
Venereal	9	Urinary	42
Septic	2	Reproductive	16
Diathetic	32	Osseus and integumentary	11
Constitutional	169	Accident and violence	32
Developmental	55	Suicide	6
Nervous	129		
Circulatory	50	Total	946
Respiratory	126		

Nationality of same.

Hawaiian	414	British	18
Japanese	184	Other nationalities	36
Chinese	132		
Portuguese	97	Total	946
American	65		

FISHERIES.

The only limitations to fishing in Hawaiian public waters by citizens is the regulation against the use of explosives in taking fish and the provision of law making it unlawful to take the young of mullet and awa under 4 inches in length.

The public waters of the Territory are free to citizens of the United States; but the majority of fishermen in such waters are aliens—mainly Japanese and Chinese fishermen.

A law regulating the size of the mesh of fish nets is necessary to prevent destructive methods of fishing. Such a law was introduced in the legislative session of 1901, but was defeated.

The following table gives the numbers of fish examined and condemned by the fish inspectors at the Honolulu and Hilo fish markets for the past two years:

HONOLULU FISH MARKET.

	Number of fish ex- amined.	Number con- demned.	Per cent of fish con- demned.	Varieties of fish examined.
Year to July 1, 1902	2,571,796	31,650	1.23	88
Year to July 1, 1903	3,055,829	29,595	.97	89

HILO FISH MARKET.

Eleven months to July 1, 1902	1,582,077	1,409	0.24	76
Year to July 1, 1903	1,048,584	7,250	.69½	89

Included in the above tables are other marine animals besides fish, such as turtles, crawfish, crabs, etc.

CORPORATIONS.

On June 30, 1902, there were 409 domestic and 24 foreign corporations in force.

Corporations filed during the year ending June 30, 1903.

Domestic:

Agricultural	1
Mercantile	22
Insurance	1
Benevolent societies	6
Secret societies	3
	33

Foreign:

Mercantile	1
Insurance	1
Loan association	1
	3

RAILWAY ENTERPRISE.

List of railroad corporations which are common carriers.

Name.	Power.	Business.	Location.	Date incorporated.
Kahului Railroad Co	Steam	Passenger and freight	Maui	July 1, 1881
Oahu Railway and Land Co.	do	do	Oahu	Feb. 1, 1889
Hawaii Railway Co. (Limited).	do	do	Kohala, Hawaii ..	Oct. 15, 1896
Honolulu Rapid Transit and Land Co.	Electricity ..	Passenger	Honolulu, Oahu ..	Aug. 30, 1898
Hilo Railroad Co	Steam	Passenger and freight	Hilo and Puna, Hawaii.	Mar. 28, 1899
Kohala and Hilo Railroad Co. (construction not begun).				June 27, 1899
Kona and Kau Railway Co. (Limited) (construction not begun).				Aug. 14, 1901

In addition to detailed information given in my last report, I herewith furnish the following:

Kahului Railroad Company.—Length of line, Wailuku to Paia, 10½ miles; number of miles in track, including switches, 12; number of freight cars, 90; number of passenger cars, 5; number of locomotives, 4 and one building; number of passengers carried 1902, 27,083; passenger mileage made, 152,610, exclusive of special trains; local steamers have brought to Kahului 8,448 tons of freight; local steamers have taken from Kahului 1,518 tons of freight; foreign vessels have brought to Kahului in 1902 33,875 tons of freight; foreign vessels have taken from Kahului 45,458 tons of freight. The foregoing freight was handled over the wharves and over the line together. Local freight hauled between stations, 2,917 tons. Besides, the Kahului Railroad Company owns and operates the steamer *Leslie Baldwin*, two wharves with the necessary appliances for handling freight, and nine lighters of 65 tons capacity each.

Hawaii Railway Company, Limited.—The length of line between Mahukona and Niulii including switches, is 22 miles, laid with 20-pound steel rails, which are now being replaced by 30-pound steel.

Four locomotives are in service, one of them of 16 tons' weight, one of 14 tons, one of 8 tons, and one of 5 tons.

Freight and miscellaneous cars number 70, and 4 passenger coaches are in service.

Fifteen thousand tons of freight was carried during the year ending June 30 at a uniform rate of 10 cents per ton mile. One thousand two hundred passengers were carried at an average fare of 50 cents each. A dividend of 6 per cent per annum on the capital stock of \$50,000 is being paid. Our business is satisfactory. No extensions are projected.

Honolulu Rapid Transit and Land Company.—Mr. Ballentyne, the company's manager, furnishes the following report:

The year ending June 30, 1902, closed with our power plant and rolling stock and the electrical equipment thereof fully completed and in good working condition. We then had 9.26 miles of track in operation, with a regular service of 14 cars on a ten-minute headway.

During the year ending June 30, 1903, we constructed and put in operation 6.62 miles of track, making the total mileage in operation at that date 15.88 miles, with a regular service on 19 cars.

In the month of May we substituted fuel oil (crude petroleum) for steam-generating purposes, in lieu of coal, with great success as to economy, efficiency, and cleanliness. Taking coal at \$7.50 per ton of 2,240 pounds, the saving has been about 15 per cent.

We have had no interruption of any kind whatever in our car service, every part of the plant working perfectly.

The following is a condensed statement showing the results of our car operations for the year:

Total car mileage.....		968,886
Total passengers carried		4,779,933
Gross income		\$235,912.13
Operating expenses.....	\$128,590.85	
Fixed charges, including interest on bonds, taxes, etc....	32,563.50	
		\$161,154.35
Net revenue.....		\$74,757.78
Per cent of operating expenses to income.....		54.5
Per cent of operating expenses and fixed charges to income.....		68.3
Capital stock outstanding	\$1,000,000.00	
Bonded indebtedness	\$425,000.00	

Kohala and Hilo Railroad Company.—The line of road has been surveyed from Hilo via Hakalau, Laupahoehoe, Ookala, Kukuihaele, and Waimea to the port of Mahukona, in the district of North Kohala, a distance of 99½ miles.

Negotiations have been made and are now being made for rights of way, and the preliminary work of the establishment of the road is now well under way. There has been a change of management of the road, and it is confidently expected that the construction of the work will begin at an early date.

Kona and Kau Railway Company (Limited).—Mr. Coerper, one of the promoters of this road, reports as follows:

An engineering survey of the line has been completed from Napoopoo, South Kona, to the Pahala sugar mill in East Kau, a distance of 62 miles, at an elevation of approximately 1,500 feet.

A second survey line has been completed from Napoopoo for a distance of 24 miles, at an elevation from 900 to 1,200 feet.

Rights of way have been secured from the government and from nearly all the private landowners between Napoopoo and Pahala.

A contract was made early this year with a San Francisco firm to grade and equip the entire road. Under this contract some work was done at the Napoopoo terminal

and about a half mile of road graded. These contractors, through financial embarrassment, were unable to continue with their contract and have abandoned work.

The Kona-Kau Railway Company is now negotiating to continue the work itself, with fair prospects of an early completion of the road from Napoopoo to Pahala.

FRANCHISES.

By act 20 of the Session Laws of 1903, entitled "An act to license the brewing and sale of malt liquors," the treasurer was authorized by the legislature to issue licenses to brew malt liquors for terms of fifteen years at an annual payment of \$250. Such license is not assignable without the consent of the treasurer, descends to legal representatives of deceased holder of license, and authorizes the sale by the licensee of such liquors in quantities of 5 gallons in bulk, and 1 dozen quarts and 2 dozen pints in bottles.

Under this statute one license was issued to the Honolulu Brewing and Malting Company (Limited).

Act 30 of the Session Laws of 1903 grants a franchise, not exclusive, to W. W. Dimond and associates, successors and assigns, to manufacture and supply fuel and illuminating gas and its by-products in Honolulu for thirty-five years, with the right to erect and maintain buildings, gas meters, and machinery for making, storing and measuring gas, and to lay pipes for conveying gas under the streets, to maintain lamp-posts and other appliances for lighting streets and other places, and to charge not over \$2.50 per 1,000 cubic feet for gas furnished. Franchise subject to the judgment of the superintendent of public works as to the quality of gas offered for sale and as to the use of streets for laying pipes. Construction to begin within one year after passage of the act conferring this franchise or its approval by Congress. Gas to be supplied to consumers within two years after the beginning of construction. Two and one-half per cent of gross receipts to be paid annually to the government of the Territory.

Act 43 of the Session Laws of 1903 grants a franchise, not exclusive, to H. M. Von Holt and associates, successors, and assigns, to construct and operate a single or double track railroad on the island of Kauai, from Kekaha, in Waimea, to Hanalei, with the necessary switches, turn-outs, stations, power houses, electrical appliances, etc., to be operated by steam, electricity, or compressed air, or all of such motive powers, with right of eminent domain to acquire private lands for the necessary use of such railway. Construction must begin within two years from the date of approval of act 43, or its approval by the Congress, and 10 miles must be completed and equipped with rolling stock within two years from such beginning of construction. Railroad property free from taxation for five years after construction is begun. Term of franchise, thirty years.

Act 48 of the Session Laws of 1903 confers a new franchise, not exclusive, on the Hawaiian Electric Company (Limited), whose former franchise, which was an exclusive one, expired May 3, 1903. The act grants the right to the company for thirty-five years to manufacture and sell electric current for light, power, and other uses in the island of Oahu; to erect and maintain such poles and wires and other appliances that may be necessary to the said business along, over, and under public highways; to erect and maintain lamps and lamp-posts thereon, and to maintain its present power house in Honolulu, and to erect and

operate other power houses and stations as may be necessary; to charge not more than 20 cents per kilowatt hour or 1,000 watt-hours, except a minimum charge of \$2 a month to consumers of electricity for lighting, and to borrow money and mortgage its property therefor. Two and one-half per cent of its gross receipts to be paid to the government of the Territory.

RECOMMENDATIONS.

Cocoanut Island, in Hilo Bay, island of Hawaii, has been reserved as a quarantine station. The Federal authorities do not desire it for this purpose, but prefer another locality on the main shore which can be obtained without expense to the Federal Government, if Cocoanut Island should be reserved by authority as a free public pleasure ground, which has been its aforetime use. I recommend that this reservation be made.

I further recommend that section 80 of the organic act be so amended that the governor may suspend any officer in regard to the removal of whom the advice and consent of the senate is necessary until the next succeeding session of the senate, and may, except in the case of the auditor, appoint some one to fill the office in question *pro tempore* until the question of the removal of the suspended officer is settled; such officer not to be entitled to pay for the period of his suspension in case of his ultimate removal by the governor and the senate, or, in the alternative, that the governor may remove any of such officers without the advice and consent of the senate.

That warrants of the auditor be required for payment of legislative expenses, with authority in the auditor to refuse such warrants unless satisfied that charges for service or material correspond to prevailing prices for such work or material.

That the Federal Government assist the Territory in the scientific study of leprosy and investigation of measures and remedies for its cure and amelioration.

That section 55 of the organic act be so amended that bonds and other instruments of indebtedness authorized by the Territory may be made redeemable in ten years instead of five, as now limited, and may be made payable in twenty, twenty-five, or thirty years instead of fifteen, as now required.

That the payment of taxes for the calendar year previous to a general election and before the end of such year be made a prerequisite for registration for voting at such general election, except taxes upon assessments that have been appealed from and are in litigation at the time of registration of voters.

That section 54 of the organic act be so amended that the governor shall not be required to call an extra session of the legislature for consideration of appropriations for the necessary current expenses of carrying on the government and meeting its legal obligations in case of the failure of the legislature to make such appropriations in the regular session, and that in case of such failure the last appropriation bills for such purposes shall be deemed to have been reappropriated.

That a tariff duty on foreign coffee of 2 or 3 cents a pound be established.

That a limited immigration of Chinese laborers to the Territory be permitted, conditioned upon their engaging only in agricultural, mill,

and domestic work for hire during their stay, and subject to deportation at their own expense upon their ceasing to do so.

Treaty recognition of authority in Chinese consuls accredited to the Territory to administer the estates of Chinese citizens dying intestate in the Territory.

That an expert forester be maintained in the Territory for a sufficient time for him, acting with the Territorial board or commissioner of agriculture and forestry, to organize a system for the conservation, development, and management of Hawaiian forests.

That the Federal Government assume the management of Hawaiian light-houses and the improvement and care of Hawaiian harbors, or in the alternative, transfer of the customs revenue received at the ports of entry in the Hawaiian Islands, a portion sufficient for these purposes to the Territory of Hawaii.

That the expenses incurred by the Territory in the management of light-houses and the improvement and care of harbors from and after June 14, 1900, be refunded by the Federal Government.

That buildings for the offices of Federal officials be erected in Honolulu and Hilo.

That a breakwater be constructed for the protection of Hilo Harbor, Hawaii.

Estimates for appropriations.

HARBOR IMPROVEMENTS.

Expense of widening channel, Honolulu Harbor, and dredging channel and harbor to a depth of 34 feet, low water	\$250, 000
Maintenance of buoys	6, 000
Construction of breakwater, Hilo Harbor	1, 000, 000
Dredging of projecting coral and sand spits, Pearl Harbor	100, 000
Total	1, 356, 000

LIGHT-HOUSES.

Sites suggested for lights in the Hawaiian Islands, with probable cost of structure and dwelling, without lantern or apparatus, as recommended by Lieut. Commander Hugh Rodman, U. S. Navy.

Locality.	Visible.	Structure.	Cost.	Remarks.
	<i>Miles.</i>			
Island of Hawaii:				
Kauhola	18	Trestle	\$1, 500	Present structure shows light 10 miles, to mark Kauhola reef; would mark channel between Hawaii and Maui if enlarged.
Honokaa Point	10	Stone	1, 000	White.
Laupahoehoe Point	10	.....do	1, 500	White (present structure would answer, but hard to see; stone is better).
Alia, known locally as Pepeekeo Point	15	.....do	2, 000	White flash (present structure would have to be altered).
Paukaa Point	10	.....do	1, 500	Green (present structure would have to be altered).
Southeast Hilo Bay	3	Post	250	Red.
Southwest Hilo Bay	3	.....do	250	Red (present arrangement is good).
Cape Kumukahi	12	Stone	2, 500	White.
Keahou	15	.....do	2, 000	Do.
Punaluu	5	.....do .....	.....	White (present structure is good).
Honnapo	5	.....do .....	.....	Do.
Ka lae	12	Trestle or stone ..	1, 500	White.
Kealakekua Bay	5	Stone	1, 000	Do.
Kailua	5	.....do	1, 000	Do.
Fisherman's Point, or Keahole Point	15	.....do	2, 000	Red.
Kawaihae	5	Trestle or stone ..	500	Red (present structure would do).
Mahukona	10	Stone .....	.....	Red (present structure is good).

Sites suggested for lights in the Hawaiian Islands, etc.—Continued.

Locality.	Visible.	Structure.	Cost.	Remarks.
Island of Maui:	<i>Miles.</i>			
Kauiki Head	15	Stone	\$2,500	White.
Nuu	12	.....do	2,000	Red.
Southwest Cape, East Maui, site of Kinau Light.	12	Trestle	1,500	White (present trestle no good; old).
Molokini Island	10	Stone	2,000	Red.
Makena	5	Post	150	White.
Lahaina	12	Trestle	2,000	Do.
Northwest Point, West Maui.	12	Stone	2,500	Red.
Kahului Harbor	10	Trestle	2,500	White; range, red in front.
Do	5	Post	250	Red.
Keanae Point	10	Stone	1,500	White.
Island of Molokai:				
Halawa Point or Kapu-upoi Point.	15	.....do	2,000	Do.
Leper Settlement	10	Trestle	1,000	Red.
Lae o Ka Ilio	15	Stone	2,500	White.
Lae o Ka Laau	10	Trestle	2,000	White (present structure should be moved to show up channel).
Kaunakakai	10	Stone on reef....	5,000	Red (range lights in harbor could be continued).
Pukoo Harbor	10	Trestle	500	White.
Island of Oahu:				
Makapuu Point	20	Stone	5,000	White flash.
Mokapu Peninsula	10	.....do	1,500	Red.
Kahuku Point	10	.....do	1,500	White.
Kaena Point	10	.....do	1,500	Red.
Barbers Point	15	.....do	1,000	White (present structure would do).
Pearl Harbor	10	.....do	1,000	White; range.
Do	5	Post	250	Red; range.
Honolulu	15	Stone	2,000	Do.
Do .....	.....	Post	250	Green; range.
Diamond Head	12	Trestle .....	.....	White; red sector (present structure would do).
Island of Kauai:				
Northeast Point Kauai.	12	Stone	1,500	White.
Hanalei	10	Trestle	1,000	White; range, red in front.
Do	5	Post	250	Red.
Mana Point	15	Trestle	2,000	White.
Waimea	5	Post	250	Do.
Ukula Point, Hanapepe Bay.	12	Trestle	1,500	Red.
Makahuena Point	15	.....do	1,500	White.
Nawiliwili	10	.....do .....	.....	Red (present trestle would do; change color of it).
Island of Niihau:				
Lehua or Egg Island...	15	Stone	2,500	White.
Cape Kawaihoa	10	.....do	1,500	Red.
Total .....	.....	.....	74,400	

In addition to these there should be about 10 or 15 post lights at plantation landings and in some of the small harbors, that will cost \$150 to \$250, and about 20 to 25 large buoys and 15 small ones.

The exact location of the lights can only be selected after an examination has been made of the different points.

The estimates given for structures will fully cover the cost of lights (without lanterns or apparatus) and dwellings.

These suggestions for lights have been made after a personal inspection of each locality and consultation with masters of vessels directly concerned.

An abundance of keepers can be obtained for \$25 to \$30 a month.

An appropriation of \$75,000 for lights and dwellings (lanterns and apparatus not included) and \$25,000 for buoys would be ample.

There is no difficult engineering required. Nearly all sites for lights are sufficiently elevated, so that no tall structures are necessary.

Maintenance of present light-houses \$14,000

NEW BUILDINGS.

Federal building, Honolulu	1,000,000
Federal building, Hilo.....	100,000

I would recommend that such sites of light-houses and dwellings of keepers as may be decided on be transferred to the United States under the provisions of section 91 of the organic act.

Respectfully submitted.

SANFORD B. DOLE,
Governor of the Territory of Hawaii.

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